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4TH SCREEN ADVERTISING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
REGISTERED NUMBER: 05700205 (ENGLAND AND WALES)

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COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2015

DIRECTORS Mark Slade
Live Leer
Baard Farnen Andresen

REGISTERED OFFICE 5th Floor
The Tower Building
11 York Road
London
SE1 7NX

REGISTERED NUMBER 05700205 (ENGLAND AND WALES)

AUDITORS KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2015.

Principal activities and business objective

During 2015 the objective of the business was and continues to be the growth of the business through the provision of high quality Mobile Advertising services.

Business review

During the year ended 31 December 2015, 4th Screen Advertising has continued to develop the premium mobile advertising model through improved technology and enhanced design capability. 4th Screen continues to attract significant new brands to use mobile advertising as part of their marketing or advertising activities. Revenues decreased to £11.11m (2014: £12.77m) due to decrease in spend from main client and advertising spend moving towards programmatic. In response the business is building a programmatic offering to grow its revenue.

Future developments

The company will continue to invest in new technologies and formats to utilise the functionality of mobile handsets and operating systems for the purpose of Mobile Advertising.

Strategy

The business will continue to innovate and seek to ensure it provides the highest quality services to its customers through clear communication, agreements with Premium publishers, the operation of an open and transparent network and the use of technology to support and develop the business.

Business model

The business contracts with Agencies representing key brands to manage the placement of advertising campaigns across multiple mobile web and mobile app inventory sources, including directly contracted premium and exclusive Publisher inventory. The business is paid net revenue after agency discounts and makes payment to publishers for the inventory it uses across its publisher network.

Business risks, principle risks and uncertainty

Whilst the management takes steps to mitigate the risks to which the company is exposed, the business is exposed to the risk of one or more customers ceasing to continue engaging the company for advertising campaigns. The company is also at risk of key members of staff leaving. The business is at risk of key technology on which it is reliant suffering a technical failure. The business is at risk that the UK leaving the EU will have an impact on its growth depending on how clients react to the new economic uncertainty, but at this time it is too early to tell what impact this may have.

The main financial risks arising from the company's activities are credit risk and liquidity risk.

The company's policy in respect of credit risk is to undertake appropriate credit checks on potential customers before sales are made and to monitor payments against contractual agreements for existing customers. The company has access to funds from its ultimate parent company and therefore the directors consider that they have appropriately mitigated the liquidity risk.

Key performance indicators

Revenue is a key indicator of financial performance to many of our stakeholders for 4th Screen management. Revenue in 2015 (£11.11m) decreased by 13% compared to the prior year (2014: £12.77m).

Profit before tax is a key indicator of financial performance to many of our stakeholders. Profit before tax is presented to provide a consistent basis for company performance between periods. In 2015 a loss of £29k was recorded, compared to the prior year profit of £834k. Investment in key staff, increase in marketing spend and exposure to FX movements were key reasons for making a loss.

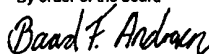
Development and performance during the year

The business revenue slightly decreased during the year, although there was development of stronger relationships with Agencies and the hiring of additional experienced sales staff there is a significant shift to programmatic spend within the market. The company has heavily invested in marketing spend and building a programmatic offering along with continued development of its core business. At the year end the company was well positioned for future growth with sufficient staff, technological and cash resources to support the ongoing business.

Trends and factors likely to affect the future development, performance and position

The market trend towards Programmatic buying provides both opportunities and challenges for the business. Whilst the company's key proposition of providing high quality, open, transparent inventory and services across premium publishers remains sound it will also need to provide technological support to automated targeting and purchasing to support those clients seeking that facility.

By order of the board



Baard F. Andersen
Director

27. september 2016

DIRECTORS' REPORT

The Directors present their Directors' Report and financial statements for the year ended 31 December 2015.

Dividends

The Company paid no dividends during the period and no future dividend payment was determined.

Political Donations

The Company made no political donations during 2015.

Financial Instruments

No financial instruments were issued or traded during the year.

Research and Development

During the year the company capitalised development costs of £305,965 (2014: £300,558) relating to a number of specific product developments. These were developed to facilitate the design, production and delivery of mobile advertising campaigns and enhance revenue streams.

Post balance sheet events

There were no post balance sheet events.

Directors and company secretary

The directors who held office during the period were as follows:

Mark Slade

Baard Farnen Andresen

Director appointed 18/09/2015:

Live Leer

Director terminated 31/08/2015:

Tove Marie Selnes

Andrew Warren resigned as Company Secretary on 23/08/2016

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Baard Farnen Andresen
Director

27. september 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 4th SCREEN ADVERTISING LIMITED

We have audited the financial statements of 4th Screen Advertising Limited for the year ended 31 December 2015 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 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 company's affairs as at 31 December 2015 and of its loss for the year that ended;
- have been properly prepared in accordance with UK 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 the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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.

Mark Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

28/01/2016

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

		Year ended 31 December 2015 £	Year ended 31 December 2014 £
	Notes		
Turnover	2	11,110,390	12,785,619
Cost of sales		(4,755,643)	(6,590,684)
Gross profit		6,354,847	6,174,935
Administrative expenses		(6,383,269)	(5,329,466)
Operating (loss)/profit		(28,422)	845,469
Other interest receivable and similar income		876	119
Interest payable and similar charges	7	(1,688)	(11,747)
(Loss)/Profit on ordinary activities before taxation	3	(28,234)	833,841
Tax on (loss)/profit on ordinary activities	6	(148,680)	(321,393)
(Loss)/Profit for the financial year		(177,914)	512,448
Other comprehensive income		-	-
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income		(177,914)	512,448

Notes from pages 11 to 17 form an integral part of the financial statements.

BALANCE SHEET

	Notes	As at 31 Dec 15 £	As at 31 des 14 £
Fixed assets			
Intangible assets	8	631,948	535,693
Tangible assets	9	<u>336,966</u>	<u>135,447</u>
		968,914	671,140
Current assets			
Debtors	10	8,819,294	4,863,736
Cash at bank		<u>1,843,300</u>	<u>3,816,854</u>
		10,662,594	8,680,590
Creditors: amounts falling due within one year	11	(9,041,885)	(6,932,480)
Net current assets		<u>1,620,709</u>	<u>1,748,110</u>
Net assets		<u>2,589,623</u>	<u>2,419,250</u>
Capital and reserves			
Called up share capital	12	4,177	4,177
Other Reserves		715,355	367,068
Share premium account		1,246,498	1,246,498
Profit and loss account		623,593	801,507
Shareholders' funds		<u>2,589,623</u>	<u>2,419,250</u>

These financial statements were approved and authorised for issue by the board of Directors on 27. september 2016 and were signed on its behalf by: Baard Farnen Andresen

Baard F. Andresen

Baard Farnen Andresen
Director

Company Number: 05700205 (ENGLAND AND WALES)

Notes from pages 11 to 17 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Called up Share Capital £	Share Premium Account £	Other Reserves £	Profit and Loss	Total £
Balance at 1 January 2015	4,177	1,246,498	367,068	801,507	2,419,250
Total comprehensive income for the period	-	-	-	(177,914)	(177,914)
Loss for the Period	-	-	-	(177,914)	(177,914)
Restricted stock units	-	-	348,287	-	348,287
Balance at 31 December 2015	<u>4,177</u>	<u>1,246,498</u>	<u>715,355</u>	<u>623,593</u>	<u>2,589,623</u>
Balance at 1 January 2014	4,177	1,246,498	-	289,059	1,539,734
Total comprehensive income for the period	-	-	-	512,448	512,448
Profit for the Period	-	-	-	512,448	512,448
Restricted stock units	-	-	367,068	-	367,068
Balance at 31 December 2014	<u>4,177</u>	<u>1,246,498</u>	<u>367,068</u>	<u>801,507</u>	<u>2,419,250</u>

Other Reserves relate to restricted stock units ("RSU"). At the Annual General Meeting of the Opera Software ASA (the Ultimate Parent company) in June 2015, its Board of Directors and shareholders adopted a program for the granting of equity compensation in the form of restricted stock unit ("RSU") awards and stock options program to the executive officers and other employees of the Group (the "RSU Program").

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES

4th Screen Advertising Limited is a company limited by shares and incorporated and domiciled in the UK.

The financial statements of the Company for the year-ended 31 December 2015 have been prepared in accordance with the Financial Reporting Standard 102, applicable in the United Kingdom and Republic of Ireland, issued by the Financial Reporting Council.

The Company's ultimate parent undertaking, Opera Software ASA, includes the Company in its consolidated financial statements. The consolidated financial statements of Opera Software ASA are available to the public and may be obtained from <http://www.operasoftware.com/company/investors/finance>. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the EU and the interpretations adopted by the International Accounting Standards Board (IASB). The consolidated financial statements are also prepared according to applicable regulations and paragraphs in the Norwegian Accounting Act and the relevant paragraph in the Securities Trading Act.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
 - Key management personnel compensation;
 - Cash flow statement and related notes;
 - Related party transactions entered into between two or more members of a group (for wholly-owned subsidiaries)
- As the consolidated financial statements of Opera Software ASA include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:
- Certain disclosures required by FRS 102.26 Share Based Payments; and,
 - The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Company has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and industries. For the year ended 31 December 2015 the Company stands with positive net assets and the Directors are confident that this positive position will be maintained in line with business plans and forecasts for at least 12 months from the date of approval of these accounts. As a consequence, despite the current year loss, the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Translation of foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Intangible assets

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalised includes the cost of direct labour that is directly attributable to the development of the asset. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- development costs 3 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- office equipment 3 years
- fixtures and fittings 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

Turnover

Turnover is recognised on the basis of advertising inventory (advertisements being displayed on mobile websites and in mobile apps) delivered in the period as measured by the relevant ad serving systems or third party tracking mechanisms. The value of turnover is determined by the net price (after Agency Discount) of the sale of the advertising campaign multiplied by the delivered inventory up to the value of the campaign ordered on either a CPM (cost per thousand), CPC (cost per click), CPA (cost per action basis) or CPCV (cost per completed view). Revenue is only recognised on actual delivery of the campaign in the period and not on booking of the campaign.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Share-based payment transactions

Where the Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group.

Restricted Stock Unit plans (RSUs) are measured at the grant date using the current market value reduced by expected dividends paid before the vesting date, which is then further discounted.

The group RSU expense has been recognised and allocated to group members according to the individuals the RSUs were granted to.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

2	TURNOVER	2015	2014
		£	£
	Trading Turnover	11,081,046	12,765,619
	Rendering of Services	<u>49,344</u>	<u>-</u>
		<u>11,110,390</u>	<u>12,765,619</u>
	Geographical Market		
	UK	9,288,353	11,816,059
	Europe	1,070,140	356,056
	RoW	<u>751,897</u>	<u>784,504</u>
		<u>11,110,390</u>	<u>12,756,619</u>

3 OPERATING LOSS

The operating loss is stated after charging:

	2015	2014
	£	£
Depreciation	103,651	81,436
Amortisation	209,710	70,378
Operating Lease	22,774	22,169
Auditor's remuneration		
• Audit of these group financial statements	33,982	30,046
• Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	<u>3,485</u>	<u>3,000</u>
	<u>37,467</u>	<u>33,046</u>
Foreign exchange differences	<u>275,820</u>	<u>85,569</u>

4 REMUNERATION OF DIRECTORS

	2015	2014
	£	£
Directors' remuneration and other benefits	200,000	275,000
Company contribution to money purchase pension scheme	25,000	21,875
Restricted stock units	<u>87,546</u>	<u>110,717</u>
	<u>312,546</u>	<u>407,592</u>

The aggregate of emoluments of the highest paid director was £200,000 (2014: £275,000). Company pension contributions of £25,000 (2014: £21,875) were made to a money purchase scheme on behalf of the directors. Restricted stock units in the ultimate parent company, Opera Software ASA, were receivable by the highest paid director under a long term incentive scheme, 2015: 18,700 (2014: 25,000).

	Number of directors	
	2015	2014
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>1</u>	<u>1</u>

5 EMPLOYEE REMUNERATION

The average number of employees for current and prior year was as follows:

	2015	2014
Management/Finance and administrative	12	7
Publishers	15	5
Sales	7	18
Creative	10	14
Delivery/Operations	6	9
Product/Tech/Dev	<u>28</u>	<u>8</u>
Total	<u>78</u>	<u>61</u>
	2015	2014
	£	£
Wages and salaries	3,921,854	2,928,578
Childcare vouchers	1,337	6,286
Social security	434,894	394,264
Contributions to defined contribution plans	<u>315,791</u>	<u>218,008</u>
Total	<u>4,673,876</u>	<u>3,545,134</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2015

6 TAXATION

Analysis of charge in period	2015 £	2014 £
Current tax on income for the year	82,715	321,393
Other differences	<u>65,966</u>	<u>-</u>
Tax charge on profit on ordinary activities	<u>148,680</u>	<u>321,393</u>

Factors affecting the tax charge for the current period

Profit on ordinary activities before tax	<u>(29,234)</u>	<u>833,841</u>
Current tax at 20.25% (2014: 21.5%)	<u>(5,920)</u>	<u>179,184</u>

Effects of

Non-deductible expenses	136,782	147,891
Deferred tax assets not recognised	<u>17,818</u>	<u>(5,682)</u>
Total current tax charge	<u>148,680</u>	<u>321,393</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 3 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable on other loans	1,688	11,747
	<u>1,688</u>	<u>11,747</u>

Interest payable through the period was due on the loan from the parent company (see note 10).

8 INTANGIBLE ASSETS

Development costs
£

Cost	
At 1 January 2015	620,209
Additions from internal development	<u>305,965</u>
At 31 December 2015	<u>926,174</u>
Amortisation	
At 1 January 2015	84,516
Charge for period	<u>209,710</u>
At 31 December 2015	<u>294,226</u>
Net book value	
At 31 December 2015	<u>631,948</u>
At 1 January 2015	<u>535,693</u>

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

9 TANGIBLE FIXED ASSETS

	Furniture and fittings £	Office equipment £	Total £
Cost			
At 1 January 2015	83,080	381,021	464,101
Additions	<u>239,510</u>	<u>65,660</u>	<u>305,170</u>
At 31 December 2015	<u>322,590</u>	<u>446,681</u>	<u>769,271</u>
Depreciation			
At 1 January 2015	43,624	285,030	328,654
Charge for period	<u>40,060</u>	<u>63,591</u>	<u>103,651</u>
At 31 December 2015	<u>83,684</u>	<u>348,621</u>	<u>432,305</u>
Net book value			
At 31 December 2015	<u>238,906</u>	<u>98,060</u>	<u>336,966</u>
At 1 January 2015	<u>39,456</u>	<u>95,991</u>	<u>135,447</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2015

10 DEBTORS

	2015	2014
	£	£
Trade debtors	4,725,842	4,198,701
Intercompany debtors	2,552,810	424,867
Other debtors	-	14,481
Deferred taxation (see note 15)	29,621	29,621
Prepayments and accrued income	<u>1,511,021</u>	<u>196,066</u>
	<u>8,819,294</u>	<u>4,863,736</u>

As of 31st December 2015 an intercompany loan of £1,085,397 was made from 4th Screen Advertising Ltd to adQuota ApS, adQuota AB and adQuota AS. This loan had a "Drawdown Date" of 27th September 2015. The loan plus any applicable interest is to be paid in full within 4 years from the "Drawdown Date". The loan was repaid in full in 2016.

Interest shall be charged and calculated from the "Drawdown Date" by the Lender and shall accrue at the end of each quarter (covering the three prior months) at an interest rate equal to the Bank of England base rate plus 100 basis points (1.0%). As of "Drawdown Date" the base rate is 0.50%.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	255,687	415,041
Intercompany creditors	4,802,992	2,080,808
Social security	327,018	242,677
VAT	416,740	584,180
Accruals and deferred income	2,297,084	2,439,092
Other creditors	759,649	849,306
Corporation Tax	<u>82,715</u>	<u>321,376</u>
	<u>9,041,885</u>	<u>6,932,480</u>

12 SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
Ordinary shares of 1p each	3,652	3,652
Ordinary preference shares of 1p each	<u>525</u>	<u>525</u>
	<u>4,177</u>	<u>4,177</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS-Continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

13 PENSION SCHEME

4th Screen participated in the operation of a defined contribution pension scheme.

The pension cost charge for the period represents contributions paid by 4th Screen to the scheme and amounted to £364,261 (2014: £236,113). There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

14 COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2015	2014
	£	£
Within one year	22,774	22,189
In more than one year, but not more than five years	-	-
After five years	-	-
	<u>22,774</u>	<u>22,189</u>

15 DEFERRED TAXATION

The company has a deferred tax asset of £29,621 (2014: £29,621).

	2015	2014
	£	£
Accelerated capital allowances	1,545	1,545
Tax losses carried forward	24,156	24,156
General provisions	3,920	3,920
	<u>29,621</u>	<u>29,621</u>

16 ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Opera MediaWorks LLC. The ultimate controlling party is Opera Software ASA.

The largest group in which the results of the Company are consolidated is that headed by Opera Software ASA, incorporated in Norway. The consolidated financial statements of these groups are available to the public and may be obtained from <http://www.operasoftware.com/company/investors/finance>.