

Registered Number: 08625899

Liberation Communications Limited

Annual report

for the year ended 31 March 2016



Liberation Communications Limited

Contents	Pages
Directors and advisers	1
Strategic Report	2
Directors' report	3
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	8
Notes to the financial statements	9

Liberation Communications Limited

Directors and advisers

Registered office

Creston House
10 Great Pulteney Street
London
W1F 9NB

Directors

M A Watkins
B C Brien
K L Herrick

Company secretary

O A Walker
10 Great Pulteney Street
London
W1F 9NB

Bankers

Barclays Bank plc
180 Oxford Street
London
W1D 1EA

Liberation Communications Limited

Strategic report for the year ended 31 March 2016

Principal activities, trading review and future developments

The principal activity of the company continued to be the provision of healthcare communications services

The directors of Creston plc conduct a trading review and assess future developments on a divisional basis, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's trading would not be appropriate for an understanding of the development, performance or position of the company's business.

A trading review and assessment of future developments of the Health division of Creston plc, which includes the company, is discussed on pages 14 to 15 of the group's annual report which does not form part of this report.

Principal risks and uncertainties

The directors of Creston plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the company's business.

The principal risks and uncertainties of Creston plc, which include those of the company, are discussed on pages 18 to 20 of the group's annual report which does not form part of this report.

Key performance indicators ("KPIs")

The directors of Creston plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business.

The development, performance and position of the Health division of Creston plc, which includes the company, is discussed on pages 14 to 15 of the group's annual report which does not form part of this report.

The directors present their annual report together with the unaudited financial statements of the company for the year ended 31 March 2016.

On behalf of the Board

Director
K L Herrick



7 October 2016

Liberation Communications Limited

Directors' report for the year ended 31 March 2016

The directors present their annual report together with the unaudited financial statements of Liberation Communications Limited ("the company") for the year ended 31 March 2016

Results and dividends

The results for Liberation Communications Limited ("the company") show a profit for the financial year of £183,000 (2015 £305,000)

Post year end, the directors have proposed dividends for the year of £183,000 (2015 £nil)

The profit before income tax of £231,000 (2015 £386,000) includes a management charge of £nil (2015 £nil)

Ultimate parent undertaking

The directors consider that the ultimate parent undertaking of the company is Creston plc

Directors

The directors of the company who were in office throughout the year and up to the date of signing the financial statements were

P N Turnbull (resigned 17/06/2016)

C L Warne (resigned 30/11/2015)

B C Brien

M A Watkins (appointed 01/08/2016)

K L Hemck

Company registration number

The company registration number is 08625899

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial risk management

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. The financial risks faced by the company include

- interest rates earned on cash and short-term investments,
- foreign currency fluctuations, and
- credit risk

Liberation Communications Limited

Directors' report for the year ended 31 March 2016 (continued)

The directors manage each of the above mentioned financial risks as follows

- continually review short-term investments to ensure maximum rates of return are being achieved,
- only short-term investments are entered into,
- actively review and approve the terms of the parties to significant commercial contracts where payment is not anticipated in advance, and
- hold cash and short-term investments in the currencies of anticipated expenditure, and
- look to negotiate flexible exchange rate mechanisms in client contracts where fees are invoiced in foreign currencies

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Director
K L Hernck

7 October 2016

Liberation Communications Limited

Income Statement for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Turnover (billings)		<u>983</u>	<u>1,158</u>
Revenue	3	789	889
Operating costs	4	<u>(558)</u>	<u>(503)</u>
Profit before income tax	5	231	386
Income tax	7	<u>(48)</u>	<u>(81)</u>
Profit for the financial year		<u>183</u>	<u>305</u>

All activities of the Company are derived from continuing operations in both the current and prior years

No separate statement of comprehensive income has been presented as all such gains and losses have been dealt with in the income statement above

The accompanying notes on pages 9 to 22 form an integral part of these financial statements

Liberation Communications Limited

Balance Sheet as at 31 March 2016

	Note	2016 £'000	2015 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	6	12
Deferred Tax	14	2	1
		<u>8</u>	<u>13</u>
Current assets			
Inventories and work in progress	10	18	3
Trade and other receivables	11	370	303
Cash and cash equivalents		533	461
		<u>921</u>	<u>767</u>
Liabilities			
Current liabilities			
Trade and other payables	12	(282)	(285)
Income tax payable		(49)	(82)
		<u>(331)</u>	<u>(367)</u>
Net current assets		<u>590</u>	<u>400</u>
Total assets less current liabilities		598	413
Non-current liabilities			
Provisions for other liabilities and charges	13	(8)	(6)
Net assets		<u>590</u>	<u>407</u>
Equity			
Share capital	15	-	-
Retained earnings		590	407
Total equity attributable to owners of the parent		<u>590</u>	<u>407</u>

Audit Exemption Statement

For the year ending 31 March 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Liberation Communications Limited

Balance Sheet

as at 31 March 2016 (continued)

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The accompanying notes on pages 9 to 22 form an integral part of these financial statements

The financial statements on pages 5 to 8 were approved by the Board on 7 October 2016 and signed on its behalf by

Director
K L Herrick



Registered number 08625899

Liberation Communications Limited

Statement of Changes in Equity for the year ended 31 March 2016

Note	Share Capital	Retained Earnings	Total Equity
	£'000	£'000	£'000
Changes in equity for 2015			
At 1 April 2014	-	102	102
Profit for the financial period	-	305	305
At 31 March 2015 and 1 April 2015	-	407	407
Changes in Equity for 2016			
Profit for the financial year	-	183	183
At 31 March 2016	-	590	590

All equity is attributable to owners of the parent

The accompanying notes on pages 9 to 22 form an integral part of these financial statements

Liberation Communications Limited

Notes to the financial statements

1 Principal accounting policies

Basis of preparation

Liberation Communications Limited (the "Company") is a company incorporated and domiciled in England and Wales. The address of the registered office is Creston House, London, W1F 9NB.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has adopted FRS 101 for the first time.

The financial statements have been prepared under the historical cost convention. In the transition to FRS 101 from Adopted IFRSs, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Creston plc includes the Company in its consolidated financial statements. The consolidated financial statements of Creston plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Creston House, London, W1F 9NB.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes,
- Disclosures in respect of transactions with wholly owned subsidiaries,
- Disclosures in respect of capital management,
- IFRS 7, 'Financial instruments Disclosures',
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of Creston plc include the equivalent disclosures, the Company has also taken further disclosure exemptions available under FRS 101.

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

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Liberation Communications Limited

Notes to the financial statements (continued)

1 Principal accounting policies (continued)

Turnover

Turnover represents amounts received or receivable from clients, for the rendering of services and is stated after deduction of trade discounts and excluding value added tax or similar sales taxes outside the United Kingdom

Turnover is recognised at fair value as service activity progresses on the following basis

- Project fees are recognised over the period of the relevant assignments or agreements
- Retainer fees are spread over the period of the contract on a straight-line basis
- Third party production fees are recognised at the point the client accepts delivery of each component of a project

Turnover includes all charges paid to external suppliers where they are retained to perform part or all of a client assignment

Revenue

The revenue derived from commissions on media placements, projects and fees for creative services is recognised on each contract in proportion to the level of services performed. Retainer fees are recognised on a straight line basis over the contract period. The level of services performed is assessed based on the relevant criteria including proportion of costs incurred, time-based recognition for retainers and milestones. Incentive-based revenue is recognised when the relevant target has been met.

Pension costs

Retirement benefits to employees are provided by defined contribution schemes that are funded by the company and employees. Payments are made to pension trusts that are financially separate from the company. These costs are charged against profits as incurred.

Accrued income

Accrued income is recognised when work attributable to the financial year has been performed or completed but not billed at the balance sheet date.

Deferred income

Deferred income is recognised when the client has been billed for work not performed or completed at the balance sheet date.

Operating lease agreements

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the period of the lease.

Current and deferred income tax

The income tax expense represents the sum of the tax currently payable and deferred tax. Tax is charged or credited in the Income Statement, except when it relates to items recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

The current income tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Liberation Communications Limited

Notes to the financial statements (continued)

1 Principal accounting policies (continued)

Current and deferred income tax (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Dividends

Dividends distributed to the company's shareholders are recognised as a liability in the company's financial statements in the year in which the dividends are approved and paid by the company's shareholders.

Property, plant and equipment

All property, plant and equipment is stated at historical cost (or fair value on acquisition where appropriate) less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less the estimated residual value of each asset evenly over its expected useful economic life, as follows:

Fixtures and fittings	3-10 Years
Leasehold improvements	Period of the lease

Inventories and work in progress

Inventories are stated at the lower of cost and net realisable value. The cost of work in progress includes the costs of direct materials and purchases, and the costs of direct labour plus clients' agreed overheads based on normal levels of activity. Work in progress is stated at the lower of cost and net realisable value. The cost of work in progress is the invoiced cost of goods and services supplied by outside parties for jobs in production. Net realisable value is based on estimated invoice value less further costs expected to be incurred to completion. No element of profit is included in the valuation of work in progress.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Liberation Communications Limited

Notes to the financial statements (continued)

1 Principal accounting policies (continued)

Impairment of receivables

A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement within operating costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating costs' in the Income Statement.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions for other liabilities and charges

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Equity

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Leases

Leases that do not transfer significant risk and reward are classified as operating leases and the payments made under them are charged to the Income Statement on a straight-line basis over the lease term. Lease incentives are spread over the term of the lease.

Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Issue costs are offset against the proceeds of such instruments.

Foreign currencies

Transactions in currencies other than the company's functional and presentational currency, Sterling, are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary assets and liabilities and those arising on retranslation are included within operating expenses in the year in which the difference arose.

Share Capital

Share capital is stated at the value of allotted and paid up amount.

Liberation Communications Limited

Notes to the financial statements (continued)

2 Critical accounting judgments

The company makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the related actual results. The directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas are as follows:

Long term contracts

The company undertakes projects which have the characteristics of long-term contracts on behalf of its clients. At each balance sheet date, management estimates the stage of completion for each project based on time and specific project milestones, recognising income and associated costs appropriately. The deferred revenue balance of £175,000 and £208,000 for 2016 and 2015 respectively has been included as part of accruals and deferred income in note 12.

Impairment of receivables

A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Management would exercise judgement over the evidence obtained as to the amount that should be provided for. The bad debt provisions for 2016 is £nil and 2015 was £nil.

Recoverability of work in progress and accrued income

The company incurs costs on behalf of clients from third parties. The company also accrues income for time spent on projects where this has not been billed. At each balance sheet date, management will assess the recoverability of these balances based on discussions with the client and comparing to the budget schedule. A judgement will then be made as to whether a provision is required or whether costs need to be written off.

3 Revenue

	2016	2015
	£'000	£'000
UK	733	849
Rest of Europe	52	40
Rest of World	4	-
	<u>789</u>	<u>889</u>

Liberation Communications Limited

Notes to the financial statements (continued)

4 Operating costs

	2016	2015
	£'000	£'000
Staff costs (note 6)	316	314
Depreciation charges (note 9)	7	6
Other expenses	235	183
	<u>558</u>	<u>503</u>

5 Profit before income tax

The profit before income tax is stated after charging

	2016	2015
	£'000	£'000
Auditors' remuneration		
Audit services – fees payable for the audit of the company financial statements	5	5
Depreciation of property, plant and equipment		
- owned assets	7	6
Operating leases - land and buildings	26	28

6 Employees and directors

	2016	2015
	£'000	£'000
Staff costs for the Company during the year		
Wages and salaries	276	279
Social security costs	29	24
Other pension costs	11	11
	<u>316</u>	<u>314</u>

The monthly average number of persons (including executive directors) employed by the company

	2016	2015
	Number	Number
Directors	-	4
Client service and planning	6	6
	<u>6</u>	<u>10</u>

Liberation Communications Limited

Notes to the financial statements (continued)

6 Employees and directors (continued)

Directors' emoluments

	2016	2015
	£'000	£'000
Aggregate emoluments	-	16
Pension contributions to money purchase pension schemes	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>16</u>

The directors were remunerated by other entities in the Group during the year

The amounts set out above include remuneration in respect of the highest paid director as follows

	2016	2015
	£'000	£'000
Aggregate emoluments	-	16
Pension contributions to money purchase pension schemes	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>16</u>

Liberation Communications Limited

Notes to the financial statements (continued)

7 Income tax

	2016 £'000	2015 £'000
The income tax charge comprises		
Current tax		
Current tax on profits for the financial year	49	82
Origination and reversal of timing differences	(1)	(1)
	<u>48</u>	<u>81</u>
Total current tax	<u>48</u>	<u>81</u>

The tax rate for the year is different (2015 the same) as the standard rate of corporation tax in the UK, i.e. 20% (2015 21%) The differences are explained below

	2016 £'000	2015 £'000
Profit before income tax	<u>231</u>	<u>386</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 20% (2015 21%)	46	81
Effects of		
Expenses not deductible for tax purposes	2	-
	<u>48</u>	<u>81</u>
Total tax for the year	<u>48</u>	<u>81</u>

Factors affecting future tax charges.

The main rate of UK corporation tax will reduce from 20% to 19% at 1st April 2017. The future annual corporation tax rate reduction is not expected to materially affect the company's financial statements. The actual impact will depend on the company's deferred tax position at that time.

8 Dividends

Post year end, the directors have proposed dividends for the year of £183,000 (2015 £nil)

Liberation Communications Limited

Notes to the financial statements (continued)

9 Property, plant and equipment

	Leasehold Improvements	Fixtures and Fittings	Total
	£'000	£'000	£'000
Cost			
At 1 April 2014	10	6	16
Additions	2	2	4
At 31 March 2015 and 1 April 2015	12	8	20
Additions	-	1	1
At 31 March 2016	12	9	21
Accumulated Depreciation			
At 1 April 2014	1	1	2
Charge for the period	3	3	6
At 31 March 2015 and 1 April 2015	4	4	8
Charge for the period	4	3	7
At 31 March 2016	8	7	15
Net book value			
At 31 March 2015	8	4	12
At 31 March 2016	4	2	6

Depreciation charges have been charged through operating costs in the Income Statement

Liberation Communications Limited

Notes to the financial statements (continued)

10 Inventories and work in progress

	2016 £'000	2015 £'000
Work in progress	<u>18</u>	<u>3</u>

The amount expensed for the year 2016 is £194,000, (2015 £269,000) and represents the difference between turnover (billings) and revenue disclosed in the Income Statement

11 Trade and other receivables

	2016 £'000	2015 £'000
Trade receivables	203	249
Amounts due from fellow subsidiary companies	88	-
Prepayments and accrued income	79	54
	<u>370</u>	<u>303</u>

The average credit period taken on sales of goods is 75 days (2015 78 days)

The company is satisfied that its clients are of sound creditworthiness

The ageing analysis of trade receivables is as follows

	Carrying value as at balance sheet date £'000	Past due but not impaired			Greater than 6 months £'000
		Neither past due nor impaired £'000	Up to 3 months £'000	3 to 6 months £'000	
2016	203	155	48	-	-
2015	249	47	164	38	-

The carrying amounts of all the trade and other receivables are denominated in Sterling

There was no provision for impairment of trade receivables in the year (2015 £nil)

The other classes within trade and other receivables do not contain impaired assets

Liberation Communications Limited

Notes to the financial statements (continued)

12 Trade and other payables

	2016 £'000	2015 £'000
Trade payables	35	36
Social security and other taxes	45	35
Accruals and deferred income	193	208
Amounts due to fellow subsidiaries	9	5
Other creditors	-	1
	<u>282</u>	<u>285</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value.

The carrying amounts of the trade payables are denominated in Sterling.

13 Provisions for other liabilities and charges

	2016 £'000	2015 £'000
At 1 April	6	2
Charged to the Income Statement	<u>2</u>	<u>4</u>
At 31 March	<u>8</u>	<u>6</u>

At 31 March, the provision for other liabilities and charges comprises

	2016 £'000	2015 £'000
Dilapidation provision	<u>8</u>	<u>6</u>

The amount of the dilapidations provisions represents the estimate of the obligation due to the landlord for dilapidations at the end of the operating leases. The directors expect the dilapidation provision to be fully utilised after 3 years.

The operating lease for office premises are held by related Group entities.

Liberation Communications Limited

Notes to the financial statements (continued)

14 Deferred taxation

The deferred taxation asset of £2,000 (2015 £1,000) recognised in the financial statements is set out below

	2016 £'000	2015 £'000
Accelerated capital allowances	1	1
Short-term timing difference	1	-
	<u>2</u>	<u>1</u>

The movement in the year is analysed as follows

	2016 £'000	2015 £'000
As at 1 April	1	-
Income Statement	1	1
	<u>2</u>	<u>1</u>

The company has recognised deferred tax assets where there are forecast profits in the next twelve months from which the future reversal of the underlying timing differences can be deducted

The main rate of UK corporation tax will reduce from 20% to 19% at 1 April 2017. The future annual corporation tax rate reduction is not expected to materially affect the company's financial statements. The actual impact will depend on the company's deferred tax position at that time.

15 Share Capital

	2016 £'000	2015 £'000
Authorised		
100 (2015 100) ordinary A shares of £1 each	<u>-</u>	<u>-</u>

	2016 £'000	2015 £'000
Allotted, called-up and fully paid		
100 (2015 100) ordinary A shares of £1 each	<u>-</u>	<u>-</u>

Liberation Communications Limited

Notes to the financial statements (continued)

16 Financial Commitments

At 31 March future aggregate minimum lease payments under non-cancellable operating leases were as follows

	2016 £'000	2015 £'000
Operating leases land and buildings		
Within one year	26	26
Later than one year and less than five years	52	78
	<u>78</u>	<u>104</u>

17 Ultimate controlling party

The immediate parent undertaking is Creston plc

The directors consider that the ultimate controlling party of this company is Creston plc, a company incorporated in the UK

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Creston plc. Copies of the consolidated financial statements can be obtained from the company's registered office at Creston House, 10 Great Pulteney Street, London, W1F 9NB

18 Related party transactions

Transactions with Group companies not wholly owned

During the year, the company entered into transactions with Group undertakings which are not wholly owned members of the Group and related parties as follows

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
	Sales	Purchases	Sales	Purchases
DJMPAN Unlimited Limited (formerly DJM Digital Solutions Limited)	-	66	-	49
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DJMPAN Unlimited Limited (formerly DJM Digital Solutions Limited) is a fellow subsidiary company. Key management personnel compensation, consisting of directors' remuneration, has been disclosed in Note 6

Liberation Communications Limited

Notes to the financial statements (continued)

19 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101 having previously applied International Financial Reporting Standards as adopted by the European Union

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015. The date of transition to FRS 101 was 1 April 2014.

Other than the adoption of the reduced disclosures no measurement and recognition adjustments have been made in applying FRS 101 for the first time. The disclosure exemptions are included in note 1 to the financial statements.