

REGISTERED NUMBER: 09550826 (England and Wales)

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

FOR TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)



TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

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FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

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TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

COMPANY INFORMATION

FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

Directors:	J Bruno Castellanos A Collins S A R Rose V Vadaneaux D Souillat
Registered office:	4th Floor 125 Shaftesbury Avenue London WC2H 8AD
Registered number:	09550826 (England and Wales)
Independent auditors:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers:	HSBC 70 Pall Mall London SW14 SE2

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

REPORT OF THE DIRECTORS FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

The directors present their report with the audited financial statements of the Company for the period 20 April 2015 to 31 December 2015.

Principal activity

The Company was incorporated on 20 April 2015. Its principal activity is to act as a management and holding company with oversight of its subsidiary's activity operating a cultural and food market in Lisbon along with the development of future market rollouts.

Review of operations

The Company made a loss after tax of £962,837. The financial statements have been prepared on a going concern basis as the Company has received a letter of support from a parent undertaking indicating its intention to continue to provide financial support to the Company for a period of not less than twelve months from the date of approval of these financial statements.

Company change of name

The Company changed its name on 12 February 2016 from Time Out Mercado Limited to Time Out Market Limited.

Dividends

The directors do not recommend the payment of any dividends.

Events since the end of the period

Information relating to events since the end of the period is given in note 15 of the financial statements.

Directors

The directors of the company who were in office during the period and up to the date of this report were:

A Collins (Appointed 20 April 2015)

V Vadaneaux (Appointed 29 July 2015)

S A R Rose (Appointed 24 November 2015)

J Bruno Castellanos (Appointed 20 November 2015)

D Souillat was appointed as director after 31 December 2015 but prior to the date of this report, on 22 February 2016.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors and officers during the period and these remain in force as at the date of approving the directors' report.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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:

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**REPORT OF THE DIRECTORS - continued
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

Statement of directors' responsibilities - continued

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Disclosure of information to auditors

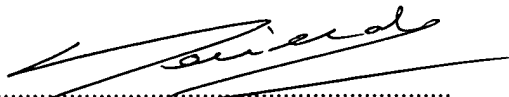
The directors who held office at the date of the approval of this report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006, including the exemption provided by section 414B of the Companies Act 2006 to not provide a Strategic Report.

On behalf of the board:



Didier Souillat

Date: 13 December 2016

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIME OUT MARKET LIMITED

Report on the financial statements

Our opinion

In our opinion, Time Out Market Limited's financial statements (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 and cash flows for the 8 month period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Income Statement and Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended;
- the Statement of Cash Flows for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example, in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TIME OUT MARKET LIMITED - continued

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare the financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

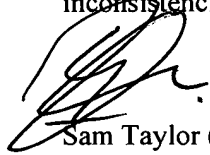
INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TIME OUT MARKET LIMITED - continued

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and 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.



Sam Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 13 December 2016

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**INCOME STATEMENT
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

	Notes	2015 £
Administrative expenses		<u>(747,247)</u>
Operating loss	5	(747,247)
Finance income	3	16,122
Finance costs	4	<u>(231,712)</u>
Loss before income tax		(962,837)
Income tax	6	<u>-</u>
Loss for the period		<u>(962,837)</u>

All amounts relate to continuing operations.

The notes form part of these financial statements

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

	2015 £
Loss for the period	(962,837)
	<hr/>
Other comprehensive income/(expense)	-
	<hr/>
Total comprehensive expense for the period	<u>(962,837)</u>

The notes form part of these financial statements

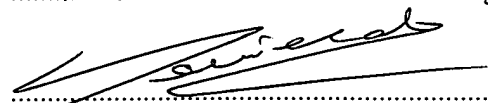
TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	2015 £
Assets		
Non-current assets		
Investments	7	5,708,812
Trade and other receivables	8	<u>1,112,245</u>
		<u>6,821,057</u>
Current assets		
Trade and other receivables	8	1,007
Cash and cash equivalents		<u>340,010</u>
		<u>341,017</u>
Total assets		<u>7,162,074</u>
Liabilities		
Current liabilities		
Trade and other payables	9	<u>(3,135,665)</u>
		<u>(3,135,665)</u>
Non-current liabilities		
Borrowings	10	<u>(4,989,226)</u>
		<u>(4,989,226)</u>
Total liabilities		<u>(8,124,891)</u>
Net liabilities		<u>(962,817)</u>
Equity		
Called up share capital	11	20
Accumulated losses		<u>(962,837)</u>
Total shareholders' deficit		<u>(962,817)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 7 to 22 were approved by the Board of Directors on 13 December 2016 and were signed on its behalf by:



Didier Souillat (Time Out Market Limited (formerly Time Out Mercado Limited) – registered number 09550826)

The notes form part of these financial statements

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

	Called up share capital	Accumulated losses	Total shareholders' deficit
	£	£	£
Balance at 20 April 2015	-	-	-
Loss for the period	-	(962,837)	(962,837)
Issue of share capital	<u>20</u>	<u>-</u>	<u>20</u>
Balance at 31 December 2015	<u>20</u>	<u>(962,837)</u>	<u>(962,817)</u>

The notes form part of these financial statements

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**STATEMENT OF CASH FLOWS
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

	Notes	2015 £
Cash flows from operating activities		
Cash used in operations	12	<u>(47,837)</u>
Net cash used in operating activities		<u>(47,837)</u>
 Cash flows from financing activities		
Proceeds from borrowings		<u>385,200</u>
Net cash from financing activities		<u>385,200</u>
Increase in cash and cash equivalents		337,363
Cash and cash equivalents at beginning of period		-
Effect of foreign exchange rate changes		<u>2,647</u>
Cash and cash equivalents at end of period		<u><u>340,010</u></u>

The notes form part of these financial statements

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

1. Accounting policies

Domicile

The Company is a limited company incorporated and domiciled in England. The registered office is located at 4th Floor, 125 Shaftesbury Avenue, London WC2H 8AD.

Basis of preparation

The financial statements of Time Out Market Limited (formerly Time Out Mercado Limited) have been prepared under the historic cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as they apply to the financial statements of the Company for the period ended 31 December 2015 and applied in accordance with the Companies Act 2006 as applicable to companies using IFRS.

The Company made a loss after tax of £962,837. The financial statements have been prepared on a going concern basis as the Company has received a letter of support from a parent undertaking indicating its intention to continue to provide financial support to the Company for a period of not less than twelve months from the date of approval of these financial statements.

The Company is a subsidiary of Time Out Group BC Limited and of its ultimate parent, Time Out Group Plc. The Company is exempt by virtue of section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The accounting policies have been applied consistently.

New and amended standards adopted by the Company

There have been no new or amended standards adopted by the Company in these financial statements.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been adopted in these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group. The following standards, interpretations and amendments to existing standards are not yet effective, or have not yet been endorsed by the EU and have not been adopted early by the Group:

- IFRS 9, '*Financial Instruments*' for periods beginning on or after 1 January 2018 and is the first standard issued as part of a process to replace IAS 39. It simplifies the mixed measurement model and establishes two primary measurement categories for financial assets, amortised cost and fair value.
- IFRS 15, '*Revenue from contracts with Customers*' applies for periods beginning on or after 1 January 2018 and specifies how and when revenue is recognised as well as requiring such entities to provide users of the financial statements with more informative, relevant disclosures.

The directors anticipate that the future introductions of those standards, amendments and interpretations listed above will not have a material impact on the future consolidated financial statements, however a detailed assessment has not yet been undertaken.

Financial instruments

Financial liabilities and 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 entity after deducting all of its financial liabilities.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

1. Accounting policies - continued

Financial instruments - continued

Where the contractual obligations of financial instruments (including preference shares) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Where the contractual terms of preference shares do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Financial assets are derecognised when the right to receive cash-flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. When securities classified as available for sale are sold, or impaired, the accumulated fair value adjustments previously taken to reserves are included in the income statement.

Taxation

The charge for taxation is based on profits or losses for the period and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full using the balance sheet liability method. A deferred tax asset is recognised where it is probable that future taxable income will be sufficient to utilise the available relief. Tax is charged or credited to the income statement except when it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity. Deferred tax is provided on temporary timing differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax liabilities and assets are not discounted.

Foreign currencies

The functional and presentational currency of the Company is sterling. All transactions denominated in foreign currency are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Income Statement in the period in which they arise. At the Statement of Financial Position date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

Investments

Investments are stated at cost less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with a maturity of three months or less.

Borrowings

All interest bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Preference shares that are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised in the income statement as an interest expense.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

1. Accounting policies - continued

Critical accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment exists when the carrying value on an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model, where appropriate. The cash flows are derived from the business plan for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimation uncertainty exists here due to a number of estimation factors applied to any model used.

Financial risk management

The Company's activities expose it to market risk.

Market risk

The Company is exposed to foreign exchange risk as it has transactions in foreign currencies. The Company's loss on foreign exchange for the period was £122,753. The Company does not hedge its foreign currency risk as the majority of the Company's receivables, payables and borrowings are denominated in the functional currency of the Company. Consequently, there are no material currency exposures to disclose.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

2. Employees and directors

There were no staff costs or headcount for the period ended 31 December 2015.

Directors' remuneration for S A R Rose as Chairman of the Board was £20,000 for the period ended 31 December 2015. The other directors did not receive any emoluments in respect of their services to this company.

3. Finance income

	2015
	£
Interest receivable and similar income	<u>16,122</u>

4. Finance costs

	2015
	£
Interest payable on preference shares	<u>231,712</u>

5. Operating loss

Expenses by nature:	2015
	£
Auditors' remuneration for audit services	5,000
Loss on foreign exchange	122,753
Other expenses	<u>619,494</u>
Total administrative expenses	<u>747,247</u>

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

6. Income tax

Analysis of tax (income)/expense

	2015
	£
Current tax	-
Deferred tax	-
	<hr/>
Total tax	- <hr/> <hr/>

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015
	£
Loss on ordinary activities before taxation	<u>(962,837)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20%	 (192,567)
Effects of:	
Expenses not deductible for tax purposes	70,692
Tax losses not recognised	<u>121,875</u>
Current tax	-
Deferred tax	-
	<hr/>
Total tax	- <hr/> <hr/>

Potential deferred tax assets of £121,875 relating to timing differences on losses carried forward have not been recognised as the directors take an approach not to recognise any deferred tax asset until such time as there is greater visibility of profitability in the medium term.

At Summer Budget 2015, the government announced legislation setting the Corporation Tax rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax rate for the year starting 1 April 2020, setting the rate at 17%.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

7. Investments

	Shares in subsidiary undertakings £
Cost	
At 20 April 2015	-
Additions	<u>5,708,812</u>
At 31 December 2015	<u>5,708,812</u>
Net book value	
At 31 December 2015	<u>5,708,812</u>
At 20 April 2015	<u>-</u>

The additions of £5,708,812 in the period relate entirely to an investment in MC-Mercados da Capital, Lda, a company incorporated in Portugal. £168,627 of the additions relate to transaction costs; £1,548,494 of the additions represents the fair value of a put/call option agreement with the minority shareholders of MC-Mercados da Capital, Lda (see note 9); and the remaining amounts represent the consideration for preference shares (paid by Oakley Capital Investments Limited directly to MC-Mercados da Capital, Lda on behalf of the Company).

As at 31 December 2015, the Company held an investment of 75.1% in MC-Mercados da Capital, Lda, the trading company of the Time Out Market in Lisbon.

The directors consider the value of the investments to be supported by their underlying assets.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

8. Trade and other receivables

	2015
	£
Current:	
Other debtors	20
Value added tax	987
	<hr/>
	1,007
	<hr/>
	2015
	£
Non-current:	
Amounts owed by group undertakings	1,112,245
	<hr/>
Aggregate amount	<u>1,113,252</u>

The fair values of all financial assets of the Company equate to their carrying value.

Amounts owed by group undertakings relate to loans which are interest bearing at 5% per annum, unsecured and repayable within two years. The amount above includes €1,487,000 (equivalent to £1,095,800) of principal and €22,316 (equivalent to £16,122) of interest. These loans have been issued by the Company to MC-Mercados da Capital, Lda.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

9. Trade and other payables

	2015
	£
Current:	
Amounts owed to group undertakings	323,350
Trade creditors	107,853
Accruals and deferred income	41,382
Other creditors	1,114,586
Financial liability for option over non-controlling interest	<u>1,548,494</u>
	<u>3,135,665</u>

The fair values of all financial liabilities of the Company equate to their carrying value. All amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

The financial liability for option over non-controlling interest reflects the liability of the Company as party of a put/call option agreement with the minority shareholders of MC-Mercados da Capital, Lda, the operator of the Lisbon Time Out market. The liability has been recognised at fair value.

10. Borrowings

	2015
	£
Non-current:	
Preference shares	<u>4,989,226</u>
At 31 December 2015	<u>4,989,226</u>

Borrowings are repayable as follows:

Preference shares	
Between one and two years	<u>4,989,226</u>

The Preference shares do not carry rights to receive notice of or to attend and vote at any general meeting of the Company. The Preference shares shall be entitled to a fixed cumulative preferential dividend at 9% which shall be paid by the Company, at the Company's option of (i) 31 May each year or (ii) at any time thereafter. On a return of capital on liquidation, reduction of capital or otherwise, the surplus assets of the Company shall be applied first, in paying the holders of the Preference Shares.

The fair values of all financial liabilities of Company equate to their carrying value.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015**

11. Called up share capital

<i>Issued</i>	Nominal value	Issued 2015 No.
Ordinary shares	£0.001	<u><u>20,000</u></u>
<i>Issued</i>	Nominal value	Issued 2015 £
Ordinary shares	£0.001	<u><u>20</u></u>

During the period the Company issued 20,000 Ordinary shares at a value of £0.001 per share.

Each Ordinary share is entitled to vote, receive dividends or other distributions and participate in a distribution arising on a winding up of the Company or otherwise. These shares are not redeemable.

12. Reconciliation of loss before income tax to cash used in operations

	2015 £
Loss before income tax	(962,837)
Loss on foreign exchange	123,690
Interest expense/(income)	215,590
Increase in trade and other receivables	(669)
Increase in trade and other payables	<u>576,389</u>
Cash used in operations	<u><u>(47,837)</u></u>

Proceeds from borrowings of €6,448,658 (equivalent to £4,618,536) include cash received of £385,200 and non-cash transactions of £4,233,336. Such amounts were paid by Oakley Capital Investments Limited directly to MC-Mercados da Capital, Lda, as consideration paid on behalf of Time Out Market Limited (formerly Time Out Mercado Limited) for the acquisition of the former.

13. Related party disclosures

Related party transactions can be summarised as follows:

Oakley Capital Investments Limited

Oakley Capital Investments Limited acquired a 90% interest in Time Out Market Limited (formerly Time Out Mercado Limited) for £18 in May 2015. During the period, the Company issued 6,448,658 €1.00 Preference shares to Oakley Capital Investments Limited for a subscription amount of £4,618,536. At the period end the Company owed Oakley Capital Investments Limited £6,103,812 relating to these preference shares, other loans, and accrued interest and £306,012 relating to accrued service fees.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

13. Related party disclosures - continued

Time Out Group BC Limited

Time Out Group BC Limited acquired a 10% interest in Time Out Market Limited (formerly Time Out Mercado Limited) for £2 in May 2015. No further investment was made. Time Out Group BC Limited incurred expenses of £4,937 on behalf of the company during the period, and these were invoiced to Time Out Market Limited (formerly Time Out Mercado Limited) for reimbursement. At the end of the period the Company owed Time Out Group BC Limited £1,912.

MC-Mercados da Capital, Lda

In May 2015, Time Out Market Limited (formerly Time Out Mercado Limited) acquired a 75.1% interest in MC-Mercados da Capital, Lda. At the end of the period, MC-Mercados da Capital, Lda owed Time Out Market Limited (formerly Time Out Mercado Limited) £1,112,245 relating to shareholder loans. At the end of the period, the Company owed MC-Mercados da Capital, Lda £13,464.

Directors & Shareholders

At the end of the period, the company owed S A R Rose fees of £20,000 for his role as director of the Company. Joao Cepeda, a minority shareholder in MC-Mercados da Capital, Lda was owed expenses of £16,382.

14. Ultimate controlling party

The ultimate parent company and controlling entity is Time Out Group Plc, a company listed on the Alternative Investment Market in London. Previously, from incorporation to 14 June 2016, the Company's ultimate parent company and controlling entity was Oakley Capital Investments Limited.

TIME OUT MARKET LIMITED (FORMERLY TIME OUT MERCADO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 20 APRIL 2015 TO 31 DECEMBER 2015

15. Events after the reporting period

On 6 April 2016, the Company incorporated a new subsidiary, Time Out Market Porto, Unipessoal Lda, which is registered in Portugal.

On 23 May 2016, following the exercise of Oakley Capital Investments Limited's rights under a put option agreement, Time Out Group HC Limited acquired from Oakley Capital Investments Limited 76.5 per cent of the issued ordinary share capital of the Company and all of the preference shares in the Company. The shares were subsequently transferred to Time Out Group BC Limited.

On 22 June 2016, the Company incorporated a new subsidiary, Time Out Market US Holdings LLC, which is registered in the United States. On the same day, Time Out Market US Holdings LLC incorporated a new subsidiary, Time Out Market (Miami) LLC, which is registered in the United States.

On 6 July 2016, Time Out Market Limited (formerly Time Out Mercado Limited) purchased for consideration of £1,263,964 a further 20.2% of the share capital in MC-Mercados da Capital, Lda, taking their direct shareholding to 95.3%.

On 5 September 2016, the Company incorporated a new subsidiary, Time Out Market London Limited, which is registered in England and Wales.

During the period subsequent to 31 December 2015 to the date of these financial statements, the Company issued 5,027,665 €1.00 Preference shares to Oakley Capital Investments Limited for a subscription amount of €5,207,665 (equivalent to £3,857,835).

During the period subsequent to 31 December 2015 to the date of these financial statements, the Company issued loans totalling €1,600,000 (equivalent to £1,305,813) to MC-Mercados da Capital, Lda. The loans are interest bearing at 5% per annum, unsecured and repayable within two years.