IMS Midco Limited

Annual report and financial statements

Registered number 10069145

31 December 2016

Contents

Corporate information

Directors	D Mapp WJ Truman NR Cook JA Hayhurst
Secretary	WJ Truman
Registered Office	Venture Way Dunston Technology Park Chesterfield S41 8NE
Registered Number	10069145
Auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 2016.

Company incorporation

The company was incorporated on 17 March 2016. On 12 April 2016 the company changed its name to IMS Midco Limited and on 17 May 2016 shortened its current accounting period to end on 31 December 2016, to be co-terminous with its holding company.

Principal activity

IMS Midco Limited is an intermediate holding company in the IMS Topco Limited group which supplies in-store music, radio and TV services to the retail, leisure and hospitality sectors in both the UK and international marketplace.

Results and dividends

The results for the period are shown in the attached profit and loss account.

No dividends were paid during the period. The directors do not recommend the payment of a final dividend.

Directors

The following directors served during the period ended 31 December 2016 and to the date of this report:

Co. Secretarial Limited	(appointed on incorporation, resigned 12 April 2016)
Inhoco Formations Limited	(appointed on incorporation, resigned 12 April 2016)
R Hart	(appointed on incorporation, resigned 12 April 2016)
JA Hayhurst	(appointed 12 April 2016)
D Mapp	(appointed 29 April 2016)
WJ Truman	(appointed 29 April 2016)
NR Cook	(appointed 31 January 2017)

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 auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

KPMG LLP was appointed first auditor of the company by the directors. KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next annual general meeting.

By order of the board

NR Cook
Director

Dated: 15 May 2017

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing 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 101 Reduced Disclosure Framework.

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.

KPMG

Independent auditor's report to the members of IMS Midco Limited

We have audited the financial statements of IMS Midco Limited for the period ended 31 December 2016 set out on pages 5 to 13. 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 101 Reduced Disclosure Framework.

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 3, 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 2016 and of its loss for the period then 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 matters prescribed by the Companies Act 2006

In our opinion the information given in 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Mark Flanagan *Senior Statutory Auditor)*

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham, NG1 6FQ

Dated: 15 May 2017

Profit and loss account
for period ended 31 December 2016

	Note	2016 £000
Interest payable and similar charges	3	(2,352)
Loss on ordinary activities before taxation		**(2,352)**
Tax on loss on ordinary activities	4	-
Loss for the financial year		**(2,352)**

In the current period, the Company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in the current period other than those disclosed in the profit and loss account. Accordingly, no separate statement of other comprehensive income has been presented.

Balance sheet
at 31 December 2016

	Note	2016 £000	£000
Fixed assets			
Investments	*5*		**960**
Current assets			
Debtors	*6*	**34,225**	
Net current assets			**34,225**
Total assets less current liabilities			**35,185**
Creditors: amounts falling due after more than one year	*7*		**(36,577)**
Net liabilities			**(1,392)**
Capital and reserves			
Called up share capital	*9*		**960**
Profit and loss account			**(2,352)**
Shareholders' deficit			**(1,392)**

These financial statements were approved by the board of directors on 15 May 2017 and were signed on its behalf by:

NR Cook
Director

Company registered number: 10069145

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 17 March 2016	-	-	-
Total comprehensive income for the period			
Loss for the period	-	(2,352)	(2,352)
Transactions with owners, recorded directly in equity			
Ordinary shares issued	960	-	960
Balance at 31 December 2016	**960**	**(2,352)**	**(1,392)**

Notes
(forming part of the financial statements)

1 Accounting policies

IMS Midco Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

The Company's ultimate parent undertaking IMS Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of IMS Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Venture Way, Dunston Technology Park, Chesterfield, S41 8NE.

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;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of IMS Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures.

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

The directors do not consider there to be any judgements in the application of these accounting policies that would have a significant effect on the financial statements or estimates with a significant risk of material adjustment in the next year.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2. Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £1,392,000 which the directors believe to be appropriate for the following reasons.

The directors have prepared trading and cash flow forecasts for the IMS Topco Limited group (of which the Company is a member) for a period in excess of twelve months following the date of approval of these financial statements. The forecasts indicate appropriate cash and covenant headroom based on the current facilities in place. On this basis the directors are of the opinion of the IMS Topco Limited group and therefore this company has adequate resources to trade in an orderly fashion for the foreseeable future and accordingly adopt the going concern basis in preparing these financial statements.

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies 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. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4. Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in subsidiary undertakings are stated at amortised cost less impairment.

Other investments in debt and equity securities held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5. Non-derivative financial instruments (continued)

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6. Expenses

Interest receivable and Interest payable -

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy 1.3).

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.7. 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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Auditor's remuneration

Auditor's remuneration:

	2016
	£000
Audit of these financial statements	1

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, IMS Topco Limited.

Notes *(continued)*

3 Interest payable and similar charges

	2016
	£000
Interest on shareholder loan noes	2,339
Amortisation of debt arrangement fees	13
Total interest payable and similar charges	2,352

4 Taxation

Recognised in the profit and loss account

	2016	
	£000	£000
UK corporation tax		
Current tax on income for the period	-	
		-
Tax on loss on ordinary activities		-

Reconciliation of effective tax rate

	2016
	£000
Loss for the period	(2,352)
Total tax credit	-
Loss excluding taxation	(2,352)
Tax using the UK corporation tax rate of 20.00%	(470)
Non-deductible expenses	325
Group relief surrendered for £nil consideration	126
Current year losses for which no deferred tax asset was recognised	19
Total tax credit	-

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was announced in the Budget on 16 Mach 2016. This will reduce the company's future tax charge accordingly.

Notes *(continued)*

5 Fixed asset investments

	2016 £000
Investments in subsidiaries:	
At 17 March	-
Investment in ordinary shares	960
At 31 December	960

The Company has the following investments in subsidiaries:

	Country of Incorporation	Class of shares directly held	Ownership 2016
IMS Bidco Limited	United Kingdom	Ordinary	100%

6 Debtors

	2016 £000
Amounts owed by group undertakings	34,225

Amounts owed by group undertakings are interest free and repayable on demand.

7 Creditors: amounts falling after more than one year

	2016 £000
Shareholder loan notes (note 8)	36,577

8 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2016 £000
Creditors falling due more than one year	
Shareholder loan notes	-

Notes *(continued)*

8 Interest bearing loans and borrowings *(continued)*

The carrying value of the shareholder loan notes is net of unamortised debt arrangement fees of £662,000.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2016 £000	Carrying amount 2016 £000
Shareholder loan notes	GBP	10%	2031	37,239	37,239

9 Capital and reserves

Share capital

Number of shares	Ordinary shares 2016
On incorporation	-
Issued in the period	960,000
On issue at 31 December – fully paid	960,000

	2016 £000
Allotted, called up and fully paid	
Ordinary shares of £1 each	960
Shares classified as liabilities	-
Shares classified in shareholders' funds	960
	960

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of IMS Topco Limited which is the ultimate parent company incorporated in the United Kingdom.

The largest and smallest group in which the results of the Company are consolidated is that headed by IMS Topco Limited. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Venture Way, Dunston Technology Park Chesterfield, S41 8NE.