Report of the Directors and

Financial Statements for year ended

31 December 2015

SpaceandPeople plc

SpaceandPeople plc

Highlights

Financial Highlights

Gross revenue of £26.5 million

Net revenue of £13.8 million

Profit before tax attributable to shareholders of £1.0 million

Basic Earnings per share of 4.26p

Proposed final dividend of 2.2p

Net cash at year end of £0.7 million

Operational Highlights

56 Mobile Promotion Kiosks in operation by the year end

5 year Network Rail contract won

British Land contract won in early 2016

Immochan pilot MPK contract agreed in France starting in 2016

SpaceandPeople plc

Contents

SpaceandPeople plc

Chairman's Statement

For the 12 months ended 31 December 2015

2015 was a year of evolution and progress for SpaceandPeople against the background of a continuing tough retail trading environment.

In terms of financial performance, profit before tax and non-recurring items attributable to the shareholders was similar to the previous year at £1.0 million (2014: £1.0 million), however, basic EPS increased by 82% to 4.26p (2014: 2.34p) as a result of there being no non-recurring costs in 2015 (2014: £391k).

There were a number of areas where the business and product offering have been significantly changed for the future which we are confident will be of longer term benefit for the Group:

- Commercially, the winning of the Network Rail contract will allow the Group to expand its range of venues and provides the security of a long term contract;

- The Mobile Promotional Kiosk product was launched in 2014 and was expanded successfully in the course of the last year with 56 units currently operational and a target of expanding this to at least 80 to 90 units by the end of 2016; and

- We commenced a promising pilot project with Immochan in France, a geographic expansion with significant potential. We see the start-up costs on this as a fruitful investment.

As these new initiatives roll out and deliver growth, there will continue to be existing venues which will opt to create commercialisation revenues in-house rather than use the services of SpaceandPeople, but the pipeline of new opportunities, venue development and geographic expansion continues to outweigh business reversals.

It was also encouraging to see the cost base of the business lowered and underlying margins increasing in the course of the year.

With an expanded range of venues, new products available, the Management Team are focussed on ensuring that the sales effort is stepped up to meet the potential of these opportunities.

We believe that SpaceandPeople is creating a solid platform for growth and a sustainable future.

The Board has decided to recommend a full dividend of 2.20p per share, a ten percent increase on last year's dividend, payable on 29 April 2016 to all shareholders on the register on 15 April 2016.

I would like to thank all our staff for their hard work and effort in 2015.

Charles G. Hammond
Chairman
24 March 2016

SpaceandPeople plc

Strategic Report

For the 12 months ended 31 December 2015

Principal Activities

The principal activity of the Group is the marketing and selling of promotional and retail licensing space on behalf of shopping centres and other venues throughout the UK and Germany and also in France and India.

Review of Business and Future Developments

The results for the period and the financial position of the Group are shown in the financial statements on pages 21 to 24.

The review of the business and a summary of future developments are included in the Chairman's Statement, the Chief Executive Officer's Review and the Operating and Financial Review on pages 3 and pages 6 to 10.

Principal Risks and Uncertainties

The principal risks identified in the business are:

Loss of client – Each year a number of the Group's contracts with clients come to an end. At this point some are renewed, some are not renewed and others are renegotiated. When the amount of business that we transact with an established client reduces, it can take time to replace this income with business from new clients. The Group is not overly reliant on any single client and the loss of a significant client, although unwelcome, would not put the viability of the business at risk.

Loss of key personnel – The unexpected loss of a member of our senior management team could have a negative effect on the business in the short term, however, we have a management team of ten members who are encouraged and required to engage with and assist their colleagues in other areas of the business to ensure that understanding and exchange of ideas is a core element of their roles. This ensures that the business is not at risk while we seek to replace the member or conduct a reorganisation of the team.

System failure – Whilst no guarantees can be given that all possible eventualities are covered, the Group has comprehensive and strict policies and contingency plans concerning power outages, telecommunications failure, virus protection, hardware and software failure, frequent and full offsite backup of all data and disaster recovery. Contracts and service level agreements are in place with reputable suppliers to ensure that any disruption and risk to the business is kept to an absolute minimum. The adequacy and appropriateness of these policies and plans are reviewed on a regular basis.

Legal claims – The Group constantly reviews its exposure to possible legal claims and takes appropriate advice and action to protect both itself and its clients where any avoidable risk is identified, for example, by amending terms and conditions, service agreements, licences and risk assessments.

Key Performance Indicators

The key performance indicators are:

	2015	2014
Gross revenue (£m)	26.5	31.6
Net revenue (£m)	13.8	15.4
Profit before taxation attributable to shareholders (£m)	1.0	0.6
Basic earnings per share (p)	4.26	2.34
Proposed dividend (p)	2.2	2.0
Average number of Retail Merchandising Units (RMUs)	267	276
Average number of Mobile Promotions Kiosks (MPKs)	32	-

By order of the Board

Gregor Dunlay
Company Secretary
24 March 2016

SpaceandPeople plc

Chief Executive Officer's Review

For the 12 months ended 31 December 2015

Overview

2015 has been a year of transition for SpaceandPeople with a focus on gaining significant new clients and delivering higher value services to both them and our existing clients.

The growth in our Mobile Promotion Kiosk ("MPK") business has been a real highlight for me and our significant investment in equipment and staffing for this is beginning to deliver positive results. Innovation, sustainability and development into new areas is key for our business. Innovation is about new products and new processes, sustainability is about winning new venues and driving efficiencies. I am pleased to say the management team has delivered on both these areas.

Overall, profitability for 2015 was in line with our expectations given that we invested significantly in the MPK roll-out in the UK and France as well as deciding to recognise an element of promotional revenue that is now derived from the MPKs on the same basis that we recognise revenue from Retail Merchandising Units. This resulted in the deferral of £150k of net promotional revenues into 2016 that would previously have been accounted for in 2015.

The main achievements of 2015 included winning significant new business in the UK, such as the Network Rail contract from a very large and established incumbent. The contract, although only starting in the last few months of the year saw our UK agencies division have a significant increase in enquiries and this has created a strong sales pipeline for 2016. Also the venues team headed up by Nancy Cullen delivered the British Land contract early in 2016 which is rolling out venue by venue throughout the year. These are important wins and will help us maintain sales in the UK.

In Germany we secured an extension to the ECE retail contract and also managed to renegotiate the opportunity to focus on the most profitable locations with reduced risk.

Finally, we negotiated a pilot project with Immochan group; the property arm of Auchan in France. Five key centres were selected for us to roll out the MPK programme in 2016, with an aim of securing a longer term full portfolio deal. The cost of setting up this division, in advance of it beginning to operate, was absorbed during the year.

Net revenue in 2015 was £1.6 million lower than 2014 at £13.8 million as a result of three main factors. Firstly, UK revenue was affected by the decision of a few venues to stop using our service. These decisions were known in advance and had been planned for with the cost base being adjusted to compensate for this. Secondly, German retail revenue was also lower than in the previous year, however almost all of the reduction of £356k was the result of weaker Sterling:Euro exchange rates. Thirdly, S&P+ did not have a repeat of the very large contract they transacted in 2014, but did deliver significantly more projects than in the previous year which was more in line with their business model and our expectations.

As I mentioned earlier, the other significant goal we set for 2015 was the roll out of the MPK programme in the UK. This innovative and unique product has been developed from an early prototype to an evolved design, and from 4 units in January 2015 we had 49 units operating in the UK by December 2015. Customer demand from both venues and brands wishing to use the product has been strong and the objective for 2016 is to enhance the scope and range of the MPKs reaching at least 80 units by the end of the year.

UK

As had been expected, retail operations in the UK contracted with the average number of RMUs in operation falling to 133 (2014: 141 RMUs) mainly as a result of the termination of the agreement with Intu. It is anticipated that this will continue to a lesser extent in 2016 as the contract with Whiterose Shopping Centre ends in the spring. The team however, has responded to the challenge of changing customer requirements and has developed a new pop up retail product. We piloted this programme in 2015 and saw some 30 pop up units trading over Christmas. The team has worked on improving the operations after the initial pilot and we anticipate that the industry will see short term on-demand retail as the new normal. The team is also making great strides in building a pipeline of new venues including winning the Queensmere/Observatory centre in Slough in late 2015 and we are encouraged by the progress they are making.

The promotions business had a mixed year with some areas such as Agency and Brand Experience sales performing strongly, while historical bankers such as "Protailing" seeing significant declines due to products moving out of vogue and in-house teams being developed to service these specific users in malls. These pressures are well known and we have driven the growth of MPK's and pop up retail to counter these threats.

Germany

German promotions did very well in the face of tough trading conditions, seeing a 15% increase in sales compared with the previous year. Unfortunately this improvement was negated by foreign exchange movements in the year. We rolled out seven MPKs which is slightly fewer than we had hoped for, but we are focused on winning more contracts with this product in 2016.

SpaceandPeople Ventures

This is the grouping of overseas companies and companies that are new and that we are developing.

India delivered results that were in line with expectations, however, the environment in India remains tough for commercialisation and we don't see significant opportunities for growth in the Indian business in 2016. In the other branch of the Indian business, the contract selling consultancy, management services and IP to Quiosco to help develop their MacV brand saw 27 kiosks established during 2015 which we expect to grow further in 2016.

S&P+, our London based above-the-line ("ATL") advertising support company's main goal was customer and revenue diversification. In 2014 they transacted one large project that dominated the resources of the small team. In 2015 they broadened their offer and a larger number of smaller contracts were won, further establishing this unique business model. Revenues were lower than 2014 at £2.4 million, but I view the progress made in 2015 as being a real success.

Summary

The development of the MPK programme and the focus on product solutions as opposed to service solutions to UK and French venues in particular will be the key driver in 2016. The venues teams in Germany, UK and France have specific targets for rolling out MPKs and pop up retail solutions this year and this should make up the loss of the Whiterose Shopping Centre RMU contract. Although 2016 will see modest growth in profitability, the behind the scenes transformations the group is making will reposition and strengthen our offer which we believe will result in a more sustainable and growing business.

Matthew Bending
Chief Executive Officer
24 March 2016

SpaceandPeople plc

Operating and Financial Review

For the 12 months ended 31 December 2015

The main aims for the Group in 2015 were to stabilise the business following the difficulties of 2014 and to make progress in gaining new clients, retain existing ones and roll out the new Mobile Promotion Kiosk ("MPK") service.

These objectives have been achieved. By the end of 2015 we had forty nine MPKs installed in venues throughout the UK and a further seven in Germany. We announced that we had won the exclusive rights to carry out promotional activities in Network Rail's portfolio of UK stations as well as securing a number of further individual contracts with a number of venues. In early 2016 we were able to announce a significant contract with British Land and we also commenced the pilot contract with Immochan in France to trial MPKs in five of their shopping malls.

The restructuring of overheads undertaken in 2014 has been successful and the business now operates more efficiently and effectively as a result.

Revenue

During 2015, gross revenue generated on behalf of our clients was £26.5 million, which was £5.1 million (16%) lower than in the previous year. This was due mainly to reductions in UK retail revenue along with a reduction in S&P+ revenue that was lower as a result of the large contract they carried out in 2014 not being replicated in 2015. As a result of this decrease in gross revenue, net revenue to the Group fell by £1.6 million (11%) to £13.8 million.

During 2015, UK promotions performed well with Brand Experience promotions increasing by 26% to £870k. Regional/Local revenue fell £309k (21%) although the majority of this was due to some revenue previously recorded as outbound sales being recorded as MPK revenue. UK retail sales were £464k (34%) lower than in the previous year. This was due in part to the loss of Manchester Arndale as a venue in early 2015 following a change in ownership control of this centre, but was also affected by a trend towards some venues deciding to arrange long-term retailers in-house.

UK RMU and MPK sales in 2015 were £3.2 million which was £83k (2%) lower than in 2014. This was due to there being fewer RMUs in operation during 2015 than in 2014 with an average of 133 compared with 141. The reduction in RMUs in operation was also due to the loss of Manchester Arndale as a venue along with the loss of Cabott Circus due to a change of control and the ending of the contract with Intu at Lakeside and Metro shopping centres. Efforts have been made to replace this lost business and towards the end of 2015 RMUs and Pop-Up kiosks were installed in the newly opened Grand Central in Birmingham, Ocean Terminal in Edinburgh and Queensmere/Observatory in Slough.

The decrease in RMU revenue was, however, almost fully offset by the increased revenue achieved from the roll out of MPKs. By the end of 2015, the 49 MPKs in operation in the UK had generated £656k of revenue in the year. They have been very well received by both venues and promoters and the roll out of new kiosks is continuing in 2016.

Gross revenue from German promotional activity was stable at €3.4 million compared with €3.3 million in the previous year, however, the relative weakness of Sterling compared with the Euro in 2015 compared with 2014 meant that converted revenue in 2015 was £2.4 million compared with £2.5 million in 2014. Revenue from German RMUs was £2.6 million compared with £3.0 million in the previous year. All but £74k of this difference was due to foreign exchange movements.

Administrative Expenses

Administrative expenses in the Group fell by £1.3 million (15%) to £7.4 million. This reduction was primarily as a result of the restructuring undertaken during 2014 along with additional savings identified during 2015.

The average number of people employed in the business increased by 3 to 132 from 129 in 2014 as a result of the recruitment of additional administrative staff.

Profit

Profit before tax and non-recurring costs attributable to shareholders was stable at £1.0 million (2014: £1.0 million). As there were no non-recurring costs in 2015, profit before taxation attributable to shareholders increased by 66% to £1.0 million (2014: £0.6 million).

The average rate of corporation tax across the Group in 2015 was 19% compared with 22% in 2014. This reduction was as a result of a reduction in the UK corporation tax rate and an increase in the proportion of the Group's profit that occurred in the UK where corporation tax rates are comparatively low.

Basic Earnings per Share ("EPS") increased by 82% to 4.26p (2014: 2.34p). Fully diluted EPS increased by 85% to 3.89p (2014: 2.10p). Basic EPS is calculated as profit after tax attributable to the owners of the Company divided by the weighted average number of shares in issue during the year which was 19,519,563 (2014: 19,519,563). Fully diluted EPS also takes into account the number of shares that would be issued on the exercise of outstanding share options. The weighted average number of shares used to calculate the diluted EPS was 21,385,604 (2014: 21,707,874).

Cash Flow

The Group generated £203k of net cash flow from operating activities during the year (2014: £771k). This was achieved after reducing the amount owed to creditors by £1.3 million during the year. During the year £690k was spent on fixed assets, the majority of which was spent on new MPKs, and a dividend of £390k was also paid during the year. An additional £500k was drawn down on the banking facility to part fund the capital expenditure.

Dividends

The Company is proposing a final dividend of 2.20p per share at the Annual General Meeting on 28 April 2016. If approved, this will be paid on 29 April 2016. This dividend would represent a distribution to shareholders of 53% of the basic EPS in 2015.

Gregor Dunlay
Chief Financial Officer
24 March 2016

Report of the Directors

For the 12 months ended 31 December 2015

The Directors present their annual report and audited financial statements of SpaceandPeople plc for the year ended 31 December 2015.

Key Performance Indicators

The main financial key performance indicators are profit before taxation attributable to owners of the Company and basic EPS. During the year profit before taxation attributable to owners of the Company grew by 66% to £1.0 million and basic EPS grew by 82% to 4.26p.

The Group maintains records of every booking ever undertaken and continually monitors several key areas:

- revenue against target and prior year;
- profitability against target and prior year;
- venue acquisition, performance and attrition;
- promoter and operator types compared with historic bookings; and
- commission and occupancy rates.

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Group are explained in the Strategic Report on pages 4 and 5.

Dividends

The dividend paid in April 2015 totalled £390,000 (2014: £800,000) which was equivalent to 2.00p per share (2013: 4.10p per share). The Directors recommend a dividend of £429k, being 2.2p per share, payable on 29 April 2016 to all shareholders on the share register as at 15 April 2016, subject to approval at the Annual General Meeting on 28 April 2016. The ex-dividend date will be 14 April 2016.

The Directors and Their Interests

The Directors who served during the period under review were:

C G Hammond	Non-Executive Chairman
M J Bending	Chief Executive Officer
N J Cullen	Chief Operating Officer
G R Dunlay	Chief Financial Officer
R A Chadwick	Non-Executive Director
A P Stirling	Non-Executive Director – retired 24 April 2015
S R Curtis	Non-Executive Director
W G Watt	Non-Executive Director

Directors' interests in the ordinary shares of the Group and in share options are disclosed in the Remuneration Report on pages 17 to 19.

Substantial Shareholdings

At the date of this report, the following substantial shareholdings representing more than 3% of the Group's issued share capital, other than those held by the Directors, have been notified to the Group:

Ordinary 1p Shares	**Number**	**%**
SPARK Ventures plc	2,062,500	10.57
Hargreave Hale Limited	1,687,182	8.64
The Gresham House Number 1 Pension Scheme	1,186,000	6.08
Boyles Asset Management	595,183	3.05
Gerald Oury	594,500	3.05

Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and 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 group and company and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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 they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
• 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 ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement as to Disclosure of Information to Auditors

At the date of this report, as far as each of the Directors is aware:

- there is no relevant audit information (as defined in the Companies Act 2006) of which the Group's Auditors are unaware; and
- each Director has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

Going Concern

After making enquiries, the Directors have formed a judgement that at the time of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason, the Directors continue to adopt a going concern basis in preparing the financial statements.

Charitable Donations

There were no donations to political parties or charitable organisations during the period (2014: £nil).

Financial Risk Review

Detailed financial risk management objectives and policies are disclosed in note 20 in the accounts.

Employment Policies

The Group is committed to complying with applicable employment laws in each country in which it operates and to fair employment practices, including prohibiting all forms of discrimination as well as granting equal access and fair treatment to all employees on the basis of merit. Wherever possible we provide the same opportunities for disabled people as for others and if employees become disabled we would make every effort to keep them in our employment, with appropriate training where required.

Health and Safety Policies

The Group is committed to conducting its business in a manner which ensures high standards of health and safety for its employees, visitors and the general public.

Auditor

The Auditors, Campbell Dallas LLP, have expressed their willingness to continue in office as Auditors and will be proposed for re-appointment at the Annual General Meeting.

On behalf of the Board

Gregor Dunlay
Chief Financial Officer
24 March 2016

SpaceandPeople plc

Corporate Governance Report

For the 12 months ended 31 December 2015

Introduction

SpaceandPeople plc is listed on the AIM Market of the London Stock Exchange and therefore is not required to comply with the provisions of the UK Corporate Governance Code (the "Code") issued in October 2012. However, the Board is committed to high standards of corporate governance and has established governance procedures and policies that are considered appropriate to the nature and size of the Group. The Board considers that at this stage in the Group's development the expense and practicalities of full compliance with the Code is not appropriate. This report sets out the procedures and systems currently in place and explains why the Board considers them to be effective. The Board is committed to reviewing our requirement to comply with the Code on a regular basis.

The Board

The Code requires the Company to have an effective Board which is collectively responsible for the long-term success of the Company through leadership within a framework of controls that assess and manage risk.

The Board currently comprises three Executive Directors and four Non-Executive Directors.

Charles Hammond is Chairman of the Group and Matthew Bending is Chief Executive Officer. Matthew is also one of the founders of SpaceandPeople and is a significant shareholder. It is his responsibility to ensure that the strategic and financial objectives of the Group as agreed by the Board are delivered. The Board's four Non-Executive Directors act as a sounding board and challenge the Executive Directors both at formal Board meetings and on a regular and informal basis concerning the performance of management in meeting agreed goals and objectives. Each member of the Board brings different experience and skills to the Board and its various committees. The Board composition is kept under review as this mix of skills and business experience is a major contributing factor to the proper functioning of the Board, helping to ensure matters are fully debated and that no individual or group dominates the Board decision-making process.

Matters referred to the Board are considered by the Board as a whole and no one individual has unrestricted powers of decision. Matters that require the Board's specific approval include Group strategy, annual budgets and forecasts, acquisitions, disposals, annual reports, interim statements, changes to the Group's capital structure, significant funding requirements and nominations for Board and Committee appointments.

Where Directors have concerns which cannot be resolved in connection with the running of the Group or a proposed action, their concerns would be recorded in the Board Minutes. This course of action has not been required to date. The Directors can obtain independent professional advice at the Company's own expense in performance of their duties as Directors.

Each year at the Annual General Meeting one-third of the Directors are required to retire by rotation, provided all Directors are subject to re-election at intervals of no more than three years. This year Matthew Bending, Gregor Dunlay and Richard Chadwick are scheduled to retire by rotation. Each Director has confirmed their willingness to be put forward for re-election.

The Board has established two committees to deal with specific aspects of the Board's affairs: Audit and Remuneration Committees.

SpaceandPeople plc

Corporate Governance Report

For the 12 months ended 31 December 2015

Attendance at Board and Committee Meetings

Attendance of Directors at Board and Committee meetings convened in the year, along with the number of meetings that they were invited to attend, are set out below:

	Board		Remuneration Committee		Audit Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
C G Hammond – Non-Executive Chairman	7	6	1	1	2	2
M J Bending – Chief Executive Officer	7	7	-	-	-	-
N J Cullen – Chief Operating Officer	7	7	-	-	-	-
G R Dunlay – Chief Financial Officer	7	7	-	-	-	-
R A Chadwick – Non-Executive Director	7	5	1	1	2	2
A P Stirling – Non-Executive Director [1]	2	-	-	-	-	-
S R Curtis – Non-Executive Director	7	7	-	-	-	-
W G Watt – Non-Executive Director	7	6	1	1	2	2

[1] retired 24 April 2015.

Audit Committee

The Audit Committee comprises George Watt (Chairman), Charles Hammond and Richard Chadwick. The Board considers that the members of the Committee have recent and relevant financial experience. If required, the Committee is entitled to request independent advice at the Company's expense in order for it to effectively discharge its responsibilities.

The Committee's main role and responsibilities are to:

- monitor the integrity of the financial statements of the Group;
- review the Group's arrangements in relation to whistleblowing and fraud;
- make recommendations to the Board to be put to shareholders for approval at the AGM, in relation to the appointment of the Company's external Auditor;
- discuss the nature, extent and timing of the external Auditor's procedures and findings; and
- report to the Board whatever recommendations it deems appropriate on any area within its remit where action or improvement is needed.

The Committee is scheduled to meet twice in each financial year and at other times if necessary.

Internal control procedures

The Board is responsible for the Group's system of internal controls and risk management and has established systems to ensure that an appropriate level of oversight and control is provided. The systems are reviewed for effectiveness annually by the Audit Committee and the Board. The Group's systems of internal control are designed to help the business meet its objectives by appropriately managing, rather than eliminating, the risks to those objectives, and to provide reasonable, but not absolute assurance against material misstatement or loss. Executive Directors and senior management meet to review both the risks facing the business and the controls established to minimise those risks and their effectiveness in operation on an on-going basis. The aim of these reviews is to provide reasonable assurance that material risks and problems are identified and appropriate action is taken at an early stage.

Relations with shareholders

The Board recognises the importance of regular and effective communication with shareholders. The primary forms of communication are:

- the annual and interim financial statements;
- investor and analyst presentations and discussions;
- announcements released to the London Stock Exchange; and
- the Annual General Meeting.

SpaceandPeople plc

Remuneration Report

For the 12 months ended 31 December 2015

Remuneration Committee

The Group has a Remuneration Committee comprising three Non-Executive Directors, Charles Hammond (Chairman), George Watt and Richard Chadwick.

The Committee's main roles and responsibilities are to:

- determine and agree with the Board the remuneration of the Group's Chief Executive, Executive Directors and such other members of the executive management as it is designated to consider;
- review the on-going appropriateness and relevance of the remuneration policy;
- approve any performance related pay schemes and approve the total annual payments made under such schemes; and
- review share incentive plans and for any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior executives and the performance targets to be used.

The Committee meets at least once a year.

Remuneration of Executive Directors

The Group's policy on the remuneration of Executive Directors is to provide a package of benefits, including salary, bonuses and share options, which reward success and each individual's contribution to the Group's overall performance in an appropriate manner. The remuneration packages of the Executive Directors comprise the following elements:

- Basic salary – The Remuneration Committee sets basic salaries to reflect the responsibilities, skill, knowledge and experience of each Executive Director.
- Bonus scheme – The Executive Directors are eligible to receive a bonus in addition to their basic salary conditional upon both the Group and the individual concerned achieving their performance targets. Performance targets are set for each individual Director to ensure that they are relevant to their role.
- Pensions – Pension contributions to individual's personal pension plans are payable by the Group at the rate of 5% of the individual Director's basic salary.
- Share options – The Group operates a share option plan and Save As You Earn ("SAYE") scheme for both Executive Directors and employees. Further details of the plan and outstanding options as at 31 December 2015 are given in notes 25 and 26 to the financial statements.
- Other benefits – The Executive Directors are entitled to join the Group's Private Medical Insurance scheme.

All the Executive Directors are engaged under service contracts which require a notice period of 12 months.

Remuneration of Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Executive Directors.

Directors' remuneration

Details of individual Directors' emoluments for the year are as follows:

	Salary or fees	Benefits	Pension contributions	2015	2014
	£	£	£	£	£
C G Hammond [1]	40,000	-	-	40,000	10,000
M J Bending	139,996	7,951	7,000	154,947	169,220
N J Cullen	129,227	1,717	6,461	137,405	140,492
G R Dunlay	129,227	1,258	6,461	136,946	155,899
R A Chadwick [2]	18,000	-	-	18,000	15,750
A P Stirling [3]	-	-	-	-	12,000
S R Curtis [4]	15,000	-	-	15,000	8,308
W G Watt [5]	20,000	-	-	20,000	6,667
D A Henderson-Williams [6]	-	-	-	-	11,513
M D Kemp [7]	10,759	193	538	11,490	132,489
M H Helfgott [8]	-	-	-	-	8,333
	502,209	**11,119**	**20,460**	**533,788**	**670,671**

[1] appointed 7 October 2014

[2] Paid to Richard Chadwick, who is not an employee of Company

[3] retired 24 April 2015, paid to Friars Management Services Ltd

[4] appointed 19 June 2014

[5] appointed 11 September 2014

[6] resigned 11 September 2014

[7] resigned 3 November 2014

[8] resigned 24 April 2014, paid to Amery Capital Ltd

Directors’ interests in shares

The interests of the Directors in the shares of the Company at 31 December 2015, together with their interests at 31 December 2014, were as follows:

	Number of ordinary 1p shares	
	31 December 2015	31 December 2014
Matthew Bending	2,102,200	2,102,000
Nancy Cullen	1,333,000	1,333,000
Gregor Dunlay	10,000	10,000
Charles Hammond	23,500	23,500
Richard Chadwick	42,500	42,500
George Watt	25,000	25,000

Directors’ interests in share options

The interests of the Directors at 31 December 2015, in options over the ordinary shares of the Company were as follows:

	At 31 December 2014	Granted	Exercised	Surrendered	Lapsed	At 31 December 2015	Exercise Price	Date of Grant	Date from which exercisable	Expiry date
Matthew Bending	120,000	-	-	-	(120,000)	-	101p	02/04/13	02/04/16	02/04/23
	-	200,000	-	-	-	200,000	47.4p	12/01/15	12/01/18	12/01/25
Nancy Cullen	120,000	-	-	-	(120,000)	-	101p	02/04/13	02/04/16	02/04/23
	-	200,000	-	-	-	200,000	47.4p	12/01/15	12/01/18	12/01/25
Gregor Dunlay	120,000	-	-	-	(120,000)	-	101p	02/04/13	02/04/16	02/04/23
	-	200,000	-	-	-	200,000	47.4p	12/01/15	12/01/18	12/01/25
Total	**360,000**	**600,000**	**-**	**-**	**(360,000)**	**600,000**				

All of these share options are subject to performance criteria.

Charles Hammond
Chairman of the Remuneration Committee
24 March 2016

Independent Auditor's Report to the Shareholders of SpaceandPeople plc

We have audited the financial statements of SpaceandPeople plc for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors and Financial Statements to identify material inconsistencies with the audited financial statement and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Greig McKnight (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP

24 March 2016

SpaceandPeople plc

Consolidated Statement of Comprehensive Income

For the 12 months ended 31 December 2015

	Notes	12 months to 31 December '15 £'000	12 months to 31 December '14 £'000
Revenue	4	**13,814**	**15,446**
Cost of Sales	4	(5,685)	(5,839)
Gross Profit		**8,129**	**9,607**
Administration expenses		(7,335)	(8,696)
Other operating income		295	224
Operating profit before non-recurring costs	5	**1,089**	**1,135**
Non-recurring costs	7	-	(391)
Operating Profit		**1,089**	**744**
Finance income	8	-	36
Finance costs	8	(28)	(18)
Profit before taxation		**1,061**	**762**
Taxation	9	(197)	(166)
Profit after taxation		**864**	**596**
Foreign exchange differences on translation of foreign operations		(39)	(28)
Total comprehensive income for the period		**825**	**568**
Profit for the year attributable to:			
Owners of the Company		831	456
Non-controlling interests		33	140
		864	**596**
Total comprehensive income for the period attributable to:			
Owners of the Company		792	428
Non-controlling interests		33	140
Total comprehensive income for the period		**825**	**568**
Earnings per share	24		
Basic – Before non-recurring costs		4.26p	3.91p
Basic – After non-recurring costs		4.26p	2.34p
Diluted – Before non-recurring costs		3.89p	3.51p
Diluted – After non-recurring costs		3.89p	2.10p

SpaceandPeople plc

Consolidated Statement of Financial Position

At 31 December 2015

Company number SC212277

	Notes	31 December '15 £'000	31 December '14 £'000
Assets			
Non-current assets:			
Goodwill	12	8,225	8,225
Other intangible assets	13	17	18
Property, plant & equipment	14	1,625	1,374
		9,867	**9,617**
Current assets:			
Trade & other receivables	16	4,205	4,221
Cash & cash equivalents	17	1,723	2,115
		5,928	**6,336**
Total assets		**15,795**	**15,953**
Liabilities			
Current liabilities:			
Trade & other payables	18	4,506	5,835
Current tax payable	18	18	(170)
Other borrowings	19	250	250
		4,774	**5,915**
Non-current liabilities:			
Deferred tax liabilities	15	58	10
Long-term loan	19	750	250
		808	**260**
Total liabilities		**5,582**	**6,175**
Net assets		**10,213**	**9,778**
Equity			
Share capital	22	195	195
Share premium		4,868	4,868
Special reserve		233	233
Retained earnings		4,747	4,345
Equity attributable to owners of the Company		**10,043**	**9,641**
Non-controlling interest		170	137
Total equity		**10,213**	**9,778**

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2016.
Signed on behalf of the Board of Directors by:

M J Bending – Director

SpaceandPeople plc

Consolidated Statement of Cash Flows

For the 12 months ended 31 December 2015

	Notes	12 months to 31 December '15 £'000	12 months to 31 December '14 £'000
Cash flows from operating activities			
Cash generated from operations		192	1,687
Interest paid	8	(28)	(18)
Taxation		39	(898)
Net cash inflow from operating activities		**203**	**771**
Cash flows from investing activities			
Interest received	8	-	36
Purchase of intangible assets	13	(15)	(30)
Purchase of property, plant & equipment	14	(690)	(245)
Net cash (outflow) from investing activities		**(705)**	**(239)**
Cash flows from financing activities			
Repayment of bank loan / loan notes		-	(205)
Bank facility received		500	500
Dividends paid	11	(390)	(800)
Net cash inflow / (outflow) from Financing activities		**110**	**(505)**
(Decrease) / Increase in cash and cash equivalents		**(392)**	**27**
Cash and cash equivalents at beginning of period		2,115	2,088
Cash and cash equivalents at end of period	17	**1,723**	**2,115**

Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		1,089	744
Amortisation of intangible assets	13	16	19
Depreciation of property, plant & equipment	14	439	461
Effect of foreign exchange rate moves		(39)	(28)
Decrease in receivables		16	916
Decrease in payables		(1,329)	(425)
Cash flow from operating activities		**192**	**1,687**

SpaceandPeople plc

Consolidated Statement of Changes in Equity

For the 12 months ended 31 December 2015

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
At 31 December 2013	**195**	**4,868**	**233**	**4,717**	**(3)**	**10,010**
Comprehensive income:						
Foreign currency translation	-	-	-	(28)	-	(28)
Profit for the period	-	-	-	456	140	596
Total comprehensive income	**-**	**-**	**-**	**428**	**140**	**568**
Transactions with owners:						
Dividends paid	-	-	-	(800)	-	(800)
Total transactions with owners	**-**	**-**	**-**	**(800)**	**-**	**(800)**
At 31 December 2014	**195**	**4,868**	**233**	**4,345**	**137**	**9,778**
Comprehensive income:						
Foreign currency translation	-	-	-	(39)	-	(39)
Profit for the period	-	-	-	831	33	864
Total comprehensive income	**-**	**-**	**-**	**792**	**33**	**825**
Transactions with owners:						
Dividends paid	-	-	-	(390)	-	(390)
Total transactions with owners	**-**	**-**	**-**	**(390)**	**-**	**(390)**
At 31 December 2015	**195**	**4,868**	**233**	**4,747**	**170**	**10,213**

1. General information

SpaceandPeople plc is a public limited company incorporated and domiciled in Scotland (registered number SC212277) which is listed on AIM (dealing code SAL).

2. Basis of preparation

The Group's financial statements for the period ended 31 December 2015 and for the comparative period ended 31 December 2014 have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, and with those part of the Companies Act 2006 applicable to companies reporting under IFRS.

The Directors have, at the time of approving the financial statements, a reasonable expectation that SpaceandPeople has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Future accounting developments

New and revised IFRSs applied with no material effect on the consolidated financial statements

Title	Implementation	Effect on Group
IAS 19 – Amendments to 'Defined Benefit Plans: Employee Contributions'	Annual periods beginning on or after 1 July 2014	None
Annual Improvements to IFRSs (2010-2012 and 2011-2013)	Annual periods beginning on or after 1 July 2014	None

The following standard will be introduced in future periods

Title	Implementation	Effect on Group
IFRS 14 – 'Regulatory Deferral Accounts'	Annual periods beginning on or after 1 January 2016	None
IFRS 15 – 'Revenue from Contracts with Customers'	Annual periods beginning on or after 1 January 2018	None
IFRS 11 – Amendments to 'Accounting for Acquisitions of Interests in Joint Operations'	Annual periods beginning on or after 1 January 2016	None
IAS 16 and IAS 38 – Amendments to 'Clarification of Acceptable Methods of Depreciation and Amortisation'	Annual periods beginning on or after 1 January 2016	None
IFRS 9 – 'Financial Instruments (2014)'	Annual periods beginning on or after 1 January 2018	None

IAS 27 – Amendments to 'Equity Method in Separate Financial Statements'	Annual periods beginning on or after 1 January 2016	None
IFRS 10 and IAS 28 – Amendments to 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	Annual periods beginning on or after 1 January 2016	None
Annual Improvements to IFRSs (2012-2014)	Annual periods beginning on or after 1 January 2016	None
IAS 1 – Amendments to 'Disclosure Initiative'	Annual periods beginning on or after 1 January 2016	None
IAS 12 – Amendments to 'Recognition of Deferred Tax Assets for Unrealised Losses'	Annual periods beginning on or after 1 January 2017	None
IAS 7 – Amendments to 'Disclosure Initiative'	Annual periods beginning on or after 1 January 2017	None

Management anticipates that the standards and interpretations in issue, but not yet effective will be adopted in the financial statements when they become effective and foresee currently no material impact by the adoptions on the financial statements of the Group in the period of initial application. However, this will be assessed further upon implementation.

3. Accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss of goodwill is recognised directly in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in subsidiaries

The parent Company's investments in subsidiary undertakings are included in the Company statement of financial position at cost, less provision for any impairment in value.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is shown net of value-added tax, rebates and discounts and after eliminating intergroup sales. Revenue is recognised when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Group and when any specific delivery criteria have been met.

<u>Commission</u>
Revenue from commission receivable while acting as agent is recognised when the following conditions are satisfied;

- Contract is agreed with promoter / merchant
- Venue acceptance of contract
- Invoice issued and no further input anticipated

<u>Acting as principal</u>
Revenue from agreements where we act as principal i.e. renting space from venues and reselling to promoters and operators, is recognised as gross revenue receivable by us, with the corresponding amount payable to the venue owner being recognised in administrative expenses.

<u>Leasing Income</u>
Revenue from leasing activities is recognised on a straight line basis over the term of the lease.

<u>Licence Fees</u>
Licence fee revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Property, plant & equipment

Depreciation is provided at the annual rates below in order to write off each asset over its estimated useful life.

Plant & equipment	-	12.5% of cost
Fixtures & fittings	-	25% of cost
Computer equipment	-	25% of cost
Computer software	-	33% of cost

Property, plant & equipment is stated at cost less accumulated depreciation to date.

Intangible assets

Website development costs
The Group capitalises all costs directly attributable to further developing its websites, while costs which relate to on-going maintenance are expensed as they arise. The capitalised costs are depreciated over three years.

Patents and trademarks
The costs of obtaining patents and trademarks are capitalised and written off over the economic life of the asset acquired.

Impairment of non-current assets
The need for any non-current asset impairment is assessed by comparison of the carrying value of the asset against the higher of realisable value and the value in use or, in the case of intangible assets, the anticipated future cash flows arising from the asset.

Leasing commitments
Rentals paid under operating leases are charged against profit as incurred. The Group has no finance leases.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis over the term of the relevant lease.

Taxation

The tax expense represents the sum of tax currently payable and deferred tax. Tax currently payable is based on the taxable profit for the period. The Group's liability for current tax is calculated using rates that have been enacted or substantially enacted at the balance sheet date.

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 computation of taxable profits, and is accounted for using the liability method. Deferred tax liabilities are recognised for all temporary timing differences and 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, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent 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 based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Foreign exchange

Items included in the Group's financial statements are measured using Pounds Sterling, which is the currency of the primary economic environment in which the Group operates, and is also the Group's presentational currency.

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates at that date. These translation differences are dealt with in the profit and loss account.

The income and expenditure of overseas operations are translated at the average rates of exchange during the period. Monetary items on the balance sheet are translated into Sterling at the rate of exchange ruling on the balance sheet date and fixed assets at historical rates. Exchange difference arising are treated as a movement in reserves.

Financial instruments

Financial assets and liabilities are recognised in the Group's balance sheet when it becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Are carried at original invoice value less an allowance for any uncollectable amounts. An allowance for bad debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off in the income statement when identified.

Cash and cash equivalents

Are carried in the balance sheet at cost and comprise cash in hand, cash at bank and deposits with banks.

Trade and other payables

Are carried at amortised costs and represent liabilities for goods or services provided to the Group prior to the period end that are unpaid and arise when the Group becomes obliged to make future payments in respect of these goods and services.

Equity instruments

Issued by the Group are recorded at the proceeds received, net of direct issue costs.

Share based payments

The Group operates a number of equity settled share based payment schemes under which share options are issued to certain employees. The fair value determined at the grant date of the equity settled share based payment, where material, is expensed on a straight line basis over the vesting period. For schemes with only market based performance conditions, those conditions are taken into account in arriving at the fair value at grant date.

Pensions

The Group pays contributions to the personal pension schemes of certain employees. Contributions are charged to the income statement in the period in which they fall due.

Critical accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. IFRS also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas where significant judgements and estimates have been made in the preparation of these financial statements are the useful lives and impairment of non-current and intangible assets, impairment of the value of investment in associates and taxation. Explanations of the methodology and the resultant assumptions are detailed in the relevant accounting policies above and the respective notes to the financial statements.

Borrowing costs

Borrowing costs are amortised over the duration of the loan and recognised throughout the term of the loan.

4. Segmental reporting

The Group maintains its head office in Glasgow and a subsidiary office in Hamburg, Germany. These are reported separately. In addition, the retail business, now trading as POP Retail Ltd, has an office in London and a subsidiary in Germany. The Group has determined that these are the principal operating segments as the performance of these segments is monitored separately and reviewed by the Board.

The following tables present revenues, results and asset and liability information regarding the Group's two core business segments - Promotional Sales and Retail, split by geographic area, after licence fees and management charges made between Group companies, the Other segment incorporates S&P+ and SpaceandPeople India.

Segment revenues and results for 12 months to 31 December '15	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Head Office £'000	Other £'000	Group £'000
Continuing operations revenue	**3,063**	**2,438**	**3,151**	**2,632**	**-**	**2,530**	**13,814**
Cost of sales	-	-	(2,540)	(1,445)	-	(1,700)	(5,685)
Administrative expenses	(1,351)	(2,444)	(405)	(1,317)	(1,039)	(779)	(7,335)
Other revenue	-	59	-	176	-	60	295
Non recurring costs	-	-	-	-	-	-	-
Segment operating profit / (loss)	**1,712**	**53**	**206**	**46**	**(1,039)**	**111**	**1,089**
Finance costs	(28)	-	-	-	-	-	(28)
Segment profit / (loss) before taxation	**1,684**	**53**	**206**	**46**	**(1,039)**	**111**	**1,061**

Segment assets and liabilities as at 31 December '15	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Other £'000	Group £'000
Total segment assets	6,482	1,654	4,781	1,455	1,423	15,795
Total segment liabilities	(2,031)	(802)	(1,214)	(1,101)	(434)	(5,582)
Total net assets	**4,451**	**852**	**3,567**	**354**	**989**	**10,213**

Segment revenues and results for 12 months to 31 December '14	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Head Office £'000	Other £'000	Group £'000
Continuing operations revenue	**3,603**	**2,507**	**3,277**	**2,988**	**-**	**3,071**	**15,446**
Cost of sales	-	-	(2,148)	(1,651)	-	(2,040)	(5,839)
Administrative expenses	(2,438)	(2,335)	(883)	(1,110)	(1,183)	(747)	(8,696)
Other revenue	-	24	-	190	-	10	224
Non recurring costs	(214)	(27)	(150)	-	-	-	(391)
Segment operating profit / (loss)	**951**	**169**	**96**	**417**	**(1,183)**	**294**	**744**
Finance income	36	-	-	-	-	-	36
Finance costs	(16)	-	(2)	-	-	-	(18)
Segment profit / (loss) before taxation	**971**	**169**	**94**	**417**	**(1,183)**	**294**	**762**

Segment assets and liabilities as at 31 December '14	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Other £'000	Group £'000
Total segment assets	5,558	2,786	4,869	1,681	1,059	15,953
Total segment liabilities	(2,540)	(1,132)	(1,138)	(671)	(694)	(6,175)
Total net assets	**3,018**	**1,654**	**3,731**	**1,010**	**365**	**9,778**

5. Operating profit

The operating profit is stated after charging:

	12 months to December '15 £'000	12 months to December '14 £'000
Motor vehicle leasing	68	63
Property leases	298	290
Amortisation of intangible assets	16	19
Depreciation of property, plant and equipment	439	461
	821	**833**
Auditor's remuneration:		
Fees payable for:		
Audit of Company	19	18
Audit of subsidiary undertakings	22	22
Tax services	4	4
Other services	2	7
	47	**51**
Directors' remuneration	**534**	**671**

6. Staff costs

The average number of employees in the Group during the period was as follows:

	12 months to December '15	12 months to December '14
Executive Directors	3	3
Non-executive Directors	3	3
Administration	32	26
Telesales	64	65
Commercial	24	25
Maintenance	6	7
	132	**129**

	12 months to December '15 £'000	12 months to December '14 £'000
Wages and salaries	4,208	4,470
Social Security costs	497	524
Pensions	57	42
	4,762	**5,036**

Details of Directors' emoluments, including details of share option schemes, are given in the remuneration report on pages 17 to 19. These disclosures form part of the audited financial statements of the Group.

7. Non-recurring costs

During the previous period, the Group took steps to reduce costs and streamline overheads. As a result, non-recurring costs of £391,000 were incurred. This was as a result of redundancy costs (£230,000) and other costs (£11,000). The Group also made provision for possible retrospective costs in relation to UK centres (£150,000).

8. Finance income and costs

	12 months to December '15 £'000	12 months to December '14 £'000
Finance costs:		
Interest received	**-**	**36**
Interest payable	**(28)**	**(18)**

9. Taxation

	12 months to December '15 £'000	12 months to December '14 £'000
Current tax expense:		
Current tax on profits for the year	117	152
Adjustment in respect of prior periods	7	(20)
Total current tax	124	132
Foreign tax:		
Current tax on foreign income for the period	25	34
Total foreign tax	25	34
Deferred tax:		
Credit in respect of tax losses	(37)	-
Charge in respect of temporary timing differences	85	-
Total deferred tax	48	-
Income tax expense as reported in the Income Statement	**197**	**166**

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

	12 months to December '15 £'000	12 months to December '14 £'000
Profit on ordinary activities before tax	1,061	762
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)		
Jan – Mar 2014: 23%	-	44
Apr – Dec 2014: 21%	-	120
Jan – Mar 2015: 21%	56	-
Apr – Dec 2015: 20%	159	-
Tax effect of:		
- Prior period adjustment	7	-
- Difference due to foreign taxation rates	12	2
- Tax losses	(37)	-
Income tax expense as reported in the Income Statement	**197**	**166**

10. Profit for the period

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The Group profit for the period includes a Company profit after tax and before dividends of £568k after the incorporation of all UK head office costs (2014: £4k) which is dealt with in the financial statements of the parent Company.

11. Dividends

	12 months to December '15 £'000	12 months to December '14 £'000
Paid during the period	390	800
Recommended final dividend	429	390

Equity – 2.00p per ordinary share proposed and paid for 2014. Recommended final dividend for 2015 – 2.20p per ordinary share.

The recommended final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the financial statements.

12. Goodwill

Cost	£'000
At 31 December 2013	8,225
Additions	-
At 31 December 2014	8,225
Additions	-
At 31 December 2015	**8,225**
Accumulated impairment losses	
At 31 December 2013	-
Charge for the period	-
At 31 December 2014	
Charge for the period	-
At 31 December 2015	**-**
Net book value	
At 31 December 2013	8,225
At 31 December 2014	8,225
At 31 December 2015	**8,225**

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The Directors consider that the businesses of Retail Profile Holdings Limited and SpaceandPeople India Pvt Limited are identifiable CGUs and the carrying amount of Goodwill is allocated against these CGUs. No amortisation of the carrying value has been occurred at the financial statement review date. Goodwill for Retail Profile Holdings Limited remains unchanged at £7,981,000 and goodwill for SpaceandPeople India Pvt Limited remains unchanged at £244,000.

The recoverable amounts of the cash generating units are determined on value in use calculations which use cash flow projections based on financial budgets approved by the Board covering a five year period followed by a terminal factor at a discount rate of 6% per annum. Cash flow projections during the budget period are based on an average growth in EBITDA which the Directors consider to be very conservative given the plans for the businesses and the potential increased returns. As a result of the sensitivity analysis carried out, the Directors believe that any reasonable possible change in the key assumptions on which the recoverable amounts are based would not cause the aggregate carrying amounts to exceed the aggregate recoverable amounts of the cash generating units and that cash flows from these units will continue in line with expectations for the foreseeable future.

13. Other intangible assets

Cost	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2013	284	137	41	462
Additions	-	-	30	30
At 31 December 2014	284	137	71	492
Additions	-	-	15	15
At 31 December 2015	**284**	**137**	**86**	**507**

Amortisation	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2013	284	137	34	455
Charge for the period	-	-	19	19
At 31 December 2014	284	137	53	474
Charge for the period	-	-	16	16
At 31 December 2015	**284**	**137**	**69**	**490**

Net book value	Website development £'000	Product Development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2013	-	-	7	7
At 31 December 2014	-	-	18	18
At 31 December 2015	**-**	**-**	**17**	**17**

14. Property, plant and equipment

The Group movement in property, plant & equipment assets was:

Cost	Plant & equipment £'000	Fixture & fittings £'000	Computer equipment £'000	Total £'000
At 31 December 2013	2,071	258	443	2,772
Additions	210	-	35	245
At 31 December 2014	2,281	258	478	3,017
Additions	626	-	64	690
At 31 December 2015	**2,907**	**258**	**542**	**3,707**

Depreciation	Plant & Equipment £'000	Fixture & Fittings £'000	Computer Equipment £'000	Total £'000
At 31 December 2013	725	208	249	1,182
Charge for the period	341	25	95	461
At 31 December 2014	1,066	233	344	1,643
Charge for the period	342	13	84	439
At 31 December 2015	**1,408**	**246**	**428**	**2,082**

Net book value	Plant & equipment £'000	Fixture & Fittings £'000	Computer equipment £'000	Total £'000
At 31 December 2013	1,346	50	194	1,590
At 31 December 2014	1,215	25	134	1,374
At 31 December 2015	**1,499**	**12**	**114**	**1,625**

15. Deferred tax

	31 December '15 £'000	31 December '14 £'000
Deferred tax liability:		
Deferred tax liability to be recognised after more than 12 months	95	10
Deferred tax assets:		
Deferred tax asset to be recognised after less than 12 months	(37)	-
Deferred tax liability (net)	**58**	**10**

At 1 January 2015	10	10
Credit in respect of losses	(37)	-
Charge in respect of temporary timing differences on property, plant and equipment	85	-
At 31 December 2015	**58**	**10**

16. Trade and other receivables

	31 December '15 £'000	31 December '14 £'000
Trade debtors	3,516	3,864
Other debtors	443	44
Prepayments	246	308
Accrued revenue	-	5
Total	**4,205**	**4,221**
Amounts falling due after more than one year included above are:	400	-

The maximum exposure to credit risk at the balance sheet date is the carrying amount of receivables detailed above. The Group does not hold any collateral as security.

The Directors do not believe that there is a significant concentration of credit risk within the trade receivables balance. As of 31 December 2015, trade receivables of £596k (2014: £685k) were past due but not impaired.

The ageing of trade debtors:

	Current £'000	0 – 30 Days £'000	31 – 60 Days £'000	61 Days + £'000	Total £'000
31 December '15	2,920	130	94	372	**3,516**
31 December '14	3,179	167	127	391	**3,864**

17. Cash and cash equivalents

	31 December '15 £'000	31 December '14 £'000
Cash at bank and on hand	1,723	2,115
	1,723	**2,115**

18. Trade and other payables

	31 December '15 £'000	31 December '14 £'000
Trade creditors	628	685
Other creditors	1,470	2,098
Social Security and other taxes	610	613
Accrued expenses	1,342	1,707
Deferred income	456	732
Trade and other payables	**4,506**	**5,835**
Corporation tax	18	(170)
Total	**4,524**	**5,665**

19. Other borrowings

	31 December '15 £'000	31 December '14 £'000
Bank loan:		
Less than one year	250	250
Greater than one year	750	250
	1,000	**500**

As at 31 December 2015, SpaceandPeople plc had drawn down £1,000,000 (2014: £500K) of its agreed bank facility of £2 million (2014: £2 million), £1 million of which expires in January 2016 and the other £1 million expires in July 2017.

20. Financial instruments and risk management

The Group has no material financial instruments other than cash, current receivables and liabilities, in both this and the prior period, all of which arise directly from its operations. The net fair value of its financial assets and liabilities is the same as their carrying value as detailed in the balance sheet and related notes.

Credit risk – The Group's credit risk relates to its receivables and is managed by undertaking regular credit evaluations of its customers.

Liquidity risk – The Group operates a cash-generative business and holds net funds. The Directors consider the funding structure to be adequate for the Group's current funding requirements.

Borrowing facilities – The Group has agreed facilities of £2 million, of which £1 million was utilised at the year end. £750,000 was drawn down from a £1 million facility, which expires in July 2017, at a rate of 2.99% above base rate. The other £250,000 was drawn down from the other £1 million facility, which expires in January 2016, at a rate of 3.69% above base rate. Both of these facilities are secured by an omnibus guarantee and set off agreement, secured by an unlimited debenture incorporating a bond and floating charge. These facilities improve the financial flexibility of the Group.

Financial assets – These comprise cash at bank and in hand. All bank deposits are floating rate.

Financial liabilities – These include short-term creditors and revolving credit facilities of £2million, of which £1 million was utilised at the year end. All financial liabilities will be financed from existing cash reserves and operating cash flows.

Foreign currency risk – The Group is exposed to foreign exchange risk primarily from Euros due to its German operations and Euro denominated licensing income as detailed in note 4 Segmental Reporting. The Group monitors its foreign currency exposure and hedges the position where appropriate. In addition, the Group has investments in a subsidiary in India.

21. Operating lease commitments

At the period end date, SpaceandPeople plc had outstanding commitments for future lease payments which fall due as follows:

	31 December '15 £'000	31 December '14 £'000
Within 1 year	1,820	2,744
Between 2 and 5 years inclusive	1,239	4,439

22. Called up share capital

Allotted, issued and fully paid			31 December '15	31 December '14
Class	Nominal value			
Ordinary	1p	£	195,196	195,196
		Number	19,519,563	19,519,563

23. Related party transactions

Compensation of key management personnel

Key management personnel of the Group are defined as those persons having authority and responsibility for the planning, directing and controlling the activities of the Group, directly or indirectly. Key management of the Group are therefore considered to be the directors of SpaceandPeople plc. There were no transactions with the key management, other than their emoluments, which are set out in the remuneration report on pages 17 to 19.

24. Earnings per share

	12 months to 31 December '15 Pence per share	12 months to 31 December '14 Pence per share
Basic earnings per share		
Before non-recurring costs	4.26p	3.91p
After non-recurring costs	4.26p	2.34p
Diluted earnings per share		
Before non-recurring costs	3.89p	3.51p
After non-recurring costs	3.89p	2.10p

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	12 months to 31 December '15 £'000	12 months to 31 December '14 £'000
Profit after tax for the period attributable to owners of the Company	831	456

	12 months to 31 December '15 '000	12 months to 31 December '14 '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	19,520	19,520

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	12 months to 31 December '15 £'000	12 months to 31 December '14 £'000
Profit after tax for the period attributable to owners of the Company	831	456

	12 months to 31 December '15 '000	12 months to 31 December '14 '000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	21,386	21,708

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows.

	12 months to 31 December '15 '000	12 months to 31 December '14 '00
Weighted average number of shares in issue during the period	19,520	19,520
Weighted average number of ordinary shares used in the calculation of basic earnings per share deemed to be issued for no consideration in respect of employee options	1,866	2,188
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	21,386	21,708

25. Share options

The Group has established a share option scheme that senior executives and certain eligible employees are entitled to participate in at the discretion of the Board which is advised on such matters by the Remuneration Committee.

In aggregate, share options have been granted under the share option scheme over 1,000,307 ordinary shares exercisable within the dates and at the exercise prices shown below, being the market value at the date of the grant.

Date of grant	Number	Option period	Price
14 January 2009	8,000	14 January 2012 – 13 January 2016	50p
1 June 2009	12,307	1 June 2012 – 30 May 2015	65p
12 January 2015	980,000	12 January 2018 – 12 January 2025	47.4p

The movement in the number of options outstanding under the scheme over the period is as follows:

	12 months to 31 December '15	12 months to 31 December '14
Number of options outstanding as at the beginning of the period	1,130,082	2,452,911
Granted	980,000	-
Lapsed	(1,109,775)	(1,322,829)
Forfeited	(15,000)	-
Number of options outstanding as at the end of the period	985,307	1,130,082

In total, 985,307 options were outstanding at 31 December 2015 (1,130,082 at 31 December 2014) with a weighted average exercise price of 47.6p (96.5p at 31 December 2014). Of these, 20,307 were exercisable (420,082 at 31 December 2014) with a weighted average exercise price of 59.1p (89.0p at 31 December 2014).

The total share-based payment charge for the year, calculated in accordance with IFRS2 on share based payments, was £3k (2014: £nil). No value has been included in the accounts for share options issued prior to 2012. The fair value of these options was assessed at the date of issue and deemed to such that no adjustment in the financial statements was required.

26. Save As You Earn Scheme

The Group has established a Save As You Earn ("SAYE") scheme that all UK based employees are entitled to participate in. The scheme will run for three years from 1 June 2015 and at the end of the term, participants will have the opportunity to buy shares in the Company at a price of 46p, which is a 20 percent discount on the closing share price on 2 April 2015.

In aggregate, share options have been granted under the SAYE scheme over 273,515 ordinary shares exercisable within the dates and at the exercise prices shown below, being the market value at the date of the grant.

Date of grant	Number	Option period	Price
28 April 2015	273,515	1 June 2018 – 30 November 2018	46p

The movement in the number of options outstanding under the scheme over the period is as follows:

	12 months to 31 December '15
Number of options outstanding as at the beginning of the period	-
Granted	273,515
Forfeited	(15,652)
Number of options outstanding as at the end of the period	257,863

In total, 257,863 options were outstanding at 31 December 2015 (none at 31 December 2014) with an exercise price of 46p (nil at 31 December 2014).

The total share-based payment charge for the year, calculated in accordance with IFRS2 on share based payments, was £7k (2014: £nil).

SpaceandPeople plc

Company Statement of Financial Position

At 31 December 2015

Company number SC212277

	Notes	31 December '15 £'000	31 December '14 £'000
Assets			
Non-current assets:			
Investment in subsidiaries	4	5,427	5,427
Loan notes	4	1,728	1,728
Other intangible assets	5	13	18
Property, plant & equipment	6	622	133
		7,790	**7,306**
Current assets:			
Trade & other receivables	8	2,508	2,419
Cash & cash equivalents	9	466	420
		2,974	**2,839**
Total assets		**10,764**	**10,145**
Liabilities			
Current liabilities:			
Trade & other payables	10	3,380	3,477
Current tax payable	10	39	86
Other borrowings	11	250	250
		3,669	**3,813**
Non-current liabilities:			
Long-term loan	11	750	250
Deferred tax	7	85	-
Total liabilities		**4,504**	**4,063**
Net assets		**6,260**	**6,082**
Equity			
Share capital	13	195	195
Share premium		4,868	4,868
Special reserve		233	233
Retained earnings		964	786
Shareholders' equity		**6,260**	**6,082**

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2016.
Signed on behalf of the Board of Directors by:

M J Bending – Director

SpaceandPeople plc

Company Statement of Cash Flows

For the 12 months ended 31 December 2015

	Notes	12 months to 31 December '15 £'000	12 months to 31 December '14 £'000
Cash flows from operating activities			
Cash generated from operations		660	542
Interest paid		(28)	(16)
Taxation		(94)	(105)
Net cash inflow (outflow) from operating activities		**538**	**421**
Cash flows from investing activities			
Interest received		34	36
Purchase of intangible assets	5	(13)	(30)
Purchase of property, plant & equipment	6	(623)	(34)
Net cash (outflow) from investing activities		**(602)**	**(28)**
Cash flows from financing activities			
Bank loan drawn down / (repaid) in year	11	500	500
Dividends paid		(390)	(800)
Net cash inflow / (outflow) from Financing activities		**110**	**(300)**
Increase / (decrease) in cash and cash equivalents		**46**	**93**
Cash and cash equivalents at beginning of period		420	327
Cash and cash equivalents at end of period	**9**	**466**	**420**
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		694	406
Amortisation of intangible assets	5	18	19
Depreciation of property, plant & equipment	6	134	92
(Increase) / decrease in receivables	8	(89)	1,367
(Decrease) / increase in payables	10	(97)	(1,342)
Cash flow from operating activities		**660**	**542**

SpaceandPeople plc

Company Statement of Changes in Equity

For the 12 months ended 31 December 2015

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total equity £'000
At 31 December 2013	**195**	**4,868**	**233**	**1,582**	**6,878**
Comprehensive income:					
Profit for the period	-	-	-	4	4
Total comprehensive income	**-**	**-**	**-**	**4**	**4**
Transactions with owners:					
Dividends paid	-	-	-	(800)	(800)
Total transactions with Owners	**-**	**-**	**-**	**(800)**	**(800)**
At 31 December 2014	**195**	**4,868**	**233**	**786**	**6,082**
Comprehensive income:					
Profit for the period	-	-	-	568	568
Total comprehensive Income	**-**	**-**	**-**	**568**	**568**
Transactions with owners:					
Dividends paid	-	-	-	(390)	(390)
Total transactions with Owners	**-**	**-**	**-**	**(390)**	**(390)**
At 31 December 2015	**195**	**4,868**	**233**	**964**	**6,260**

1. General information and basis of preparation

SpaceandPeople plc is a company incorporated in the United Kingdom and is the parent company of the SpaceandPeople Group.

The Company's financial statements for the period ended 31 December 2015 and for the comparative period ended 31 December 2014 have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, and with those part of the Companies Act 2006 applicable to companies reporting under IFRS.

The Directors have, at the time of approving the financial statements, a reasonable expectation that SpaceandPeople has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

For details of accounting policies used, reference is made to note 2 in the Group Annual Report. Overall the accounting principles in the Group accounts are the accounting principles used in the Company's annual accounts. Any variations in principal are described below.

2. Accounting policies

Investments in subsidiaries

The Company's investments in subsidiary undertakings are included in the statement of financial position at cost, less provision for any impairment in value.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is shown net of value-added tax, rebates and discounts. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when any specific delivery criteria have been met.

Commission

Revenue from commission is recognised when the following conditions are satisfied:

- Contract is agreed with promoter / merchant
- Venue acceptance of contract
- Invoice issued and no further input anticipated

3. Profit for the period

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The Group profit for the period includes a Company profit after tax and before dividends of £568k after the incorporation of all UK head office costs (2014: £4k) which is dealt with in the financial statements of the parent Company.

4. Investment in subsidiaries

The Company movement in investment in subsidiaries was:

Cost and net book value	£'000
As at 31 December 2013	7,155
Additions	-
As at 31 December 2014	7,155
Additions	-
As at 31 December 2015	**7,155**

Included in the cost of investments is £1.728m worth of loan notes taken on as part of the acquisition of Retail Profile Holdings Limited in 2010.

In the opinion of the Directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which it is stated in the Company statement of financial position.

Fixed asset investments of the Company (or subsidiary undertaking where indicated *) include the following:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			31 December '15	31 December '14
MacPherson & Valentine Limited	Licensing of intellectual property	United Kingdom	100%	100%
SpaceandPeople GmbH	Media	Germany	100%	100%
Retail Profile Holdings Limited	Holding Company	United Kingdom	100%	100%
* POP Retail Limited	Leasing of RMUs	United Kingdom	100%	100%
* Retail Products Limited	Dormant	United Kingdom	100%	100%
* Retail Profile GmbH	Leasing of RMUs	Germany	100%	100%
* Retail Profile Limited	Dormant	United Kingdom	100%	100%
S&P Consult Limited	Dormant	United Kingdom	100%	100%
SpaceandPeople India Pvt Ltd	Media	India	59.94%	59.94%
S&P+ Limited	Media	United Kingdom	51%	51%

5. Other intangible assets

Cost	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2013	284	137	41	462
Additions	-	-	30	30
At 31 December 2014	284	137	71	492
Additions	-	-	13	13
At 31 December 2015	**284**	**137**	**84**	**505**

Amortisation	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2013	284	137	34	455
Charge for the period	-	-	19	19
At 31 December 2014	284	137	53	474
Charge for the period	-	-	18	18
At 31 December 2015	**284**	**137**	**71**	**492**

Net book value	Website Development £'000 £'000	Product development £'000 £'000	Patents & trademarks £'000 £'000	Total £'000 £'000
At 31 December 2013	-	-	7	7
At 31 December 2014	-	-	18	18
At 31 December 2015	**-**	**-**	**13**	**13**

6. Property, plant and equipment

The Company movement in property, plant & equipment assets was:

Cost	Fixture & fittings £'000	Computer equipment £'000	Total £'000
At 31 December 2013	178	392	570
Additions	-	34	34
At 31 December 2014	178	426	604
Additions	564	59	623
At 31 December 2015	**742**	**485**	**1,227**

Depreciation	Fixture & fittings £'000	Computer equipment £'000	Total £'000
At 31 December 2013	156	223	379
Charge for the period	12	80	92
At 31 December 2014	168	303	471
Charge for the period	61	73	134
At 31 December 2015	**229**	**376**	**605**

Net book value	Fixture & fittings £'000	Computer equipment £'000	Total £'000
At 31 December 2013	22	169	191
At 31 December 2014	10	123	133
At 31 December 2015	**513**	**109**	**622**

7. Deferred tax

	31 December '15 £'000	31 December '14 £'000
Deferred tax liability:		
Deferred tax liability to be recognised after more than 12 months	85	-
Deferred tax liability	**85**	**-**

At 1 January 2015	-	-
Charge in respect of temporary timing differences on property, plant and equipment	85	-
At 31 December 2015	**85**	**-**

8. Trade and other receivables

	31 December '15 £'000	31 December '14 £'000
Trade debtors	1,108	1,664
Other debtors	400	-
Prepayments	68	55
Amounts due from related parties	932	695
Accrued income	-	5
Total	**2,508**	**2,419**
Amounts falling due after more than one year included above are:	400	-

The ageing of trade debtors:

	Current £'000	0 – 30 Days £'000	31 – 60 Days £'000	61 Days + £'000	Total £'000
31 December '15	712	76	48	272	**1,108**
31 December '14	1,203	84	53	324	**1,664**

9. Cash and cash equivalents

	31 December '15 £'000	31 December '14 £'000
Cash at bank and on hand	466	420
	466	**420**

10. Trade and other payables

	31 December '15 £'000	31 December '14 £'000
Trade creditors	103	22
Other creditors	1,095	1,592
Social Security and other taxes	485	363
Accrued expenses	84	381
Amounts due to related parties	1,613	1,119
Trade and other payables	**3,380**	**3,477**
Corporation tax	39	86
Total	**3,419**	**3,563**

11. Non-current liabilities

As at 31 December 2015, SpaceandPeople plc had drawn down £1 million (2014: £500,000) of its agreed bank facility of £2 million. £250k of which is in current liabilities.

Company bank borrowings are secured by an unlimited debenture incorporating a bond and floating charge.

12. Operating lease commitments

At the period end date, SpaceandPeople plc had outstanding commitments for future lease payments which fall due as follows:

	31 December '15 £'000	31 December '14 £'000
Within 1 year	83	56
Between 2 and 5 years inclusive	289	-

13. Called up share capital

Allotted, issued and fully paid			31 December '15	31 December '14
Class	Nominal value			
Ordinary	1p	£	195,196	195,196
		Number	19,519,563	19,519,563

14. Share options

Details of the Company's share options are as at notes 25 and 26 to the Group annual report.

15. Related party transactions

During the year, the Company charged its subsidiary companies the following amounts in respects of costs incurred on their behalf: Retail Profile Europe Limited £777,514 (2014: £556,572), SpaceandPeople GmbH £351,721 (2014: £323,814), Retail Profile Europe GmbH £309,645 (2014: £336,812) and S&P+ Limited £32,475 (2014: £45,368).

At 31 December 2015, the Company had the following balance with Group companies:

Amount due from SpaceandPeople GmbH	£423,458
Amount due from S&P+ Limited	£380,000
Amount due from Retail Profile GmbH	£128,919
Amount due to Retail Profile Europe Limited	(£1,052,068)
Amount due to Retail Profile Holdings Limited	(£561,442)

SpaceandPeople plc

Company Information

For the 12 months ended 31 December 2015

Directors:	C G Hammond – Non-Executive Chairman M J Bending – Chief Executive Officer N J Cullen – Chief Operating Officer G R Dunlay – Chief Financial Officer R A Chadwick – Non-Executive Director S R Curtis – Non-Executive Director W G Watt – Non-Executive Director
Secretary:	G R Dunlay
Registered office:	2nd Floor 100 West Regent Street Glasgow G2 2QD
Registered number:	SC 212277
Nominated advisors and brokers:	Cantor Fitzgerald Europe 1 Churchill Place Canary Wharf London E14 5RB
Registrars:	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Auditors:	Campbell Dallas LLP Chartered Accountants & Registered Auditors Titanium 1 King's Inch Place Renfrew PA4 8WF
Bankers:	Lloyds TSB Bank plc 39 Threadneedle Street London EC2R 8AU
Solicitors:	Sherrards Solicitors LLP 7 Swallow Place London W1B 2AG

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