Report of the Directors and

Financial Statements for year ended

31 December 2016

SpaceandPeople plc

SpaceandPeople plc

Highlights

Financial Highlights

Gross revenue of £22.9 million

Net revenue of £9.7 million

Profit from continuing operations before taxation and non-recurring costs attributable to shareholders of £60k

Basic Earnings per Share before non-recurring costs of 0.3p

Net cash at year end of £384k

Operational Highlights

British Land contract won

Successful first year of Network Rail relationship

86 Mobile Promotions Kiosks in operation by the year end

Cost reduction programme completed

SpaceandPeople plc

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SpaceandPeople plc

Chairman's Statement

For the 12 months ended 31 December 2016

2016 proved to be a challenging year for SpaceandPeople in a number of respects. Your Board has endeavoured to meet these challenges, and more importantly has taken action to ensure that the Group has a more focused and sustainable business model for the future.

Overall, the Group made a loss before taxation, attributable to the shareholders of the business of just over £0.6 million for the year ended 31 December 2016; the underlying trading position was break even with a number of non-recurring costs contributing to the loss.

We experienced challenges in the retail environment in both the UK and Germany, with the RMU business trading at a significantly lower level than expected. Promotional business also suffered in Germany with the loss of long term ECE income. Our response in the UK has been to implement both overhead cost reductions and efficiencies which should allow us to trade profitably on a sustainable but lower revenue base. In Germany, the RMU contract with ECE has been restructured, to ensure that revenue sharing and costs are both realistic for the lower business base for 2017.

We also took the decision in June 2016 to close S&P+, due to a poorer level of performance than forecast from this joint venture, and to ensure that there would be no further cash outflows from this business. A major part of the discontinued costs of £0.5 million were non-cash in nature. A similar decision was taken regarding the French pilot venture where we were offered insufficient opportunity to cover any further roll-out costs.

These decisions will allow the executive team to focus on the core UK business where there are promising signs of early growth in 2017. The MPK roll-out programme has continued and profits from this in the UK are increasing and growing. The Network Rail contract has offered us further opportunities to grow our revenue base and venue space, within the framework of a secure long term contract. Earlier this year, we announced a contract win with Primesight, which will deliver airport commercialisation space and complements the rail venues we operate from. We have also gained a new contract from British Land which includes space in retail parks as well as shopping centres, and our range of products including MPKs and food units continues to grow in popularity. We are in ongoing negotiations in respect of a number of good quality venues.

Overall, with a clearer focus, a better integrated venues and sales teams, a lower cost base and good quality business opportunities, we expect to be able to return the Group to a sustainable level of profitability in 2017, and trading for the first two months of the year has been ahead of management expectations.

We look forward to the future with greater confidence.

Charles G. Hammond
Chairman
24 March 2017

SpaceandPeople plc

Strategic Report

For the 12 months ended 31 December 2016

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 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 20 to 23.

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 9.

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 six 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. A significant hardware upgrade has been completed in early 2017 and the Group is currently implementing a new CRM system that should be fully operational during 2017.

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:

	2016	Restated 2015
Gross revenue (£ million)	22.9	24.0
Net revenue (£ million)	9.7	11.4
Profit before taxation and non-recurring costs attributable to shareholders (£ million)	0.06	1.0
Basic earnings per share before non-recurring costs (p)	0.3	4.26
Proposed dividend (p)	-	2.2
Average number of Retail Merchandising Units (RMUs)	220	267
Average number of Mobile Promotions Kiosks (MPKs)	74	32

By order of the Board

Gregor Dunlay
Company Secretary
24 March 2017

SpaceandPeople plc

Chief Executive Officer's Review

For the 12 months ended 31 December 2016

In 2016 SpaceandPeople refocussed its business on its core offering to property clients, removing unprofitable ventures and halting pilot projects overseas. A renewed focus on the UK, significant cost cutting and restructuring in our retail divisions and new proprietary software designed to speed up management information, sales processing and forecasting is now in place and I am pleased to report that 2017 has started strongly.

UK

Retail

The retail team faced the biggest challenges in 2016 and poor sales traction during this period led to a reorganisation of this department. The dedicated, client-facing team reduced from six to two members and is now supported by the new automated sales and management system. We do not anticipate for these significant changes to affect 2017 sales as the new systems provide a much more efficient process. The retail team have had a good start to 2017 and have already contracted over 50% of their 2017 budget.

Promotions

In 2016 we saw the Network Rail contract gain traction with the Brand Experience department, in particular, seeing significant revenue growth. The post year end addition of Primesight's MAG airport portfolio will, in our opinion, boost the team's ability to control the significant proportion of UK experiential campaigns.

MPKs

The UK MPK programme grew from 49 to 75 units during 2016 with revenue up 139% to £1.6 million. 2017 has started strongly and we anticipate having up to 100 kiosks in operation by the end of the year. The MPK and its delivery of promotional sales in a more professional manner combined with our ability to purchase, maintain, and move units is an important facet of our service delivery.

New Venues

The UK venues team delivered new venues in the form of Bromley Glades, Kirkgate Bradford and the Land Securities Leisure portfolio.

Post year end, we have announced a three-year contract with Primesight to manage all experiential activity within the Manchester Airport Group (MAG) portfolio of Manchester, Gatwick, Stanstead and three other airports. This contract combined with the Network Rail portfolio which added London Bridge, and Paddington in 2016 gives us the largest network of UK transit hubs in addition to the largest retail property estate and has potential for significant development.

Germany

Promotions

German promotional revenue was significantly lower at £0.9 million (2015: £2.4 million). This was due to the rundown of the ECE long term contracts, the majority of which ended in 2015 and were not renewed. We renewed our contract with MEC for a further year and this continues to perform strongly. Unlike in the UK, the team in Germany has not been able to establish the MPK programme effectively. This is due to a lack of suitable central locations due to poor centre layouts. These units will be redeployed in the UK.

Retail

The German retail business encountered a difficult year in 2016 with lower occupancy and a lower number of units in operation. This resulted in revenue falling from £2.6 million in 2015 to £2.2 million. However, with overhead reductions, the utilisation of the UK software platform and reduced rental costs of circa 50% for 2017, we anticipate a return to profitability in 2017.

France

The one year pilot programme with Immochan ended in October 2016. We were encouraged that this had proven the efficacy of the MPK system in the French marketplace, however, the management priorities of our French partner shifted and we did not feel the horizon for growth and partnership were strong enough to invest further. The units will be deployed back into the UK and the costs of £0.1 million incurred in running this pilot project will not be repeated in 2017.

S&P+ Ltd

As I noted in the 2016 Interim Results, during 2016 it was decided to close S&P+. Despite its early promise during the first two years of operation, in 2016 it encountered a significant reduction in its revenue generation and future sales potential. This, along with the resulting drag on the profitability of the core business was unsustainable and was also a significant distraction for senior management. The discontinuation of this business resulted in losses of £0.5 million in 2016 that will not be repeated going forward.

Cost Reductions

As we announced on 9 January 2017, during 2016 we took major steps to reduce the running costs of the Group and to ensure that the cost base was appropriate for the reduced size of the business. These cost reductions removed an annualised cost of £0.6 million through reduced payroll costs in the retail divisions and a reduction in administration positions, and further savings of £0.1 million in IT, travel and logistics. Combined with the £0.7 million non-recurring costs of closing S&P+ and the pilot programme in France I feel the company has the right focus and cost base to return to profitability during 2017.

Outlook for 2017

The reinforcement of our focus on the core divisions has re-energised the business. Along with the removal of costs and the implementation of new upgraded software systems this has eliminated significant sales inefficiencies and transformed management information.

The introduction of important and iconic new venues means we are in a strong and growing position in our market, and there is still considerable scope to grow further. Our UK venues team has a very healthy pipeline of potential new venues they are engaging with and we are hopeful that we will continue to add to the size, diversity and quality of our portfolio.

Matthew Bending
Chief Executive Officer
24 March 2017

SpaceandPeople plc

Operating and Financial Review

For the 12 months ended 31 December 2016

During 2016, the main aims for the Group were to continue the process of concentrating on the core business units, develop the relationships with the significant new clients, continue the roll-out of the Mobile Promotion Kiosk ("MPK") service and continue the rationalisation of administrative expenses.

Progress was made on a number of these fronts with UK promotional revenue growing by 4% and UK retail revenue growing by 3% largely as a result of the Network Rail contract and further MPK roll-out respectively. However, German promotional revenue fell by 62% compared with the previous year due to a number of long-term deals finishing and not being replaced and a reduced volume of business being conducted with ECE. German retail revenue was 15% lower than the previous year as there were fewer RMUs in operation. Overall, net revenue across the Group was 15% lower than the previous year at £9.66 million.

By the end of 2016, we had 81 MPKs installed in venues throughout the UK and Germany (2015: 56 MPKs) with a further 5 kiosks in France as part of the Immochan pilot project.

The restructuring of overheads continued throughout 2016 with the streamlining of management, headcount reductions in areas of the business that had a structural decline in their revenue, new efficient IT systems and a reduction in travel and logistics costs.

Revenue

During 2016, gross revenue generated on behalf of our clients was £22.9 million, which was £1.1 million (5%) lower than like for like gross revenue in the previous year. This was due mainly to reductions in German promotional revenue where long-term deals were not renewed. Although gross revenue fell by 5%, net revenue fell by 15% to £9.7 million. Gross German promotional income fell by 35% at a net level this was a 62% reduction.

During 2016, UK promotions continued to perform well with Brand Experience promotions increasing by 50% to £1.3million. Regional / Local revenue fell £0.3 million (29%) although an element of this was due to revenue previously recorded as outbound sales being recorded as MPK revenue. UK retail sales were 4% higher than in the previous year. This improvement was due to an increase in outdoor and food retailing business compared with the previous year.

UK RMU and MPK revenue in 2016 were £3.2 million which was £0.1million (3%) higher than in 2015. Although there were fewer RMUs in operation during 2016 than in 2015 with an average of 110 compared with 133, the increase in revenue from MPKs where the number of units in operation increased from 49 to 75 more than compensated for this.

Administrative Expenses

Like for like administrative expenses of the Group fell by £1.1 million (16%) to £5.6 million. This reduction was primarily as a result of the restructuring undertaken during 2015 along with additional savings identified during 2016.

The average number of people employed in the business declined by 14 to 118 in 2016 from 132 in 2015 as a result of the reduction in commercial and telesales staff.

Profit

Operating profit before non-recurring costs fell to £0.1million (2015: £1.1million). As there were non-recurring costs of £0.3million, the loss before taxation from continuing operations was £0.2million (2015: profit of £1.0million).

Basic Earnings per Share ("EPS") before non-recurring costs fell by 93% to 0.3p (2015: 4.26p). Fully diluted EPS before non-recurring costs fell by 92% to 0.3p (2015: 3.89p). 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 21,168,724 (2015: 21,385,604).

Cash Flow

The Group generated £0.4 million of net cash flow from operating activities during the year (2015: £0.2 million). This was achieved by reducing the amount owed by debtors by £0.9 million during the year. During the year £0.3 million was spent on fixed assets, the majority of which was again spent on new MPKs, and a dividend of £0.4 million was also paid during the year. An additional £0.2 million was drawn down on the banking facility to part fund the capital expenditure.

As a consequence of these 2016 results, the Group is in technical breach of its cumulative net asset growth covenants in relation to its banking facilities. Lloyds has informed the Group that, whilst reserving its rights, it does not intend to exercise its rights in relation to these covenant breaches although no further drawdown of the facilities is permitted until the covenant breaches have been resolved. This is expected to happen when the covenants are tested again at 31 July 2017. This does not have an impact upon the Group's ability to conduct its business in a normal fashion as the current level of drawdown provides a significant level of headroom.

Dividends

The Company has had a consistent record of paying a dividend each year, however, as a result of the financial performance in 2016 the Board is not proposing a dividend during 2017. It is anticipated that dividends will resume in 2018.

Gregor Dunlay
Chief Financial Officer
24 March 2017

SpaceandPeople plc

Report of the Directors

For the 12 months ended 31 December 2016

The Directors present their annual report and audited financial statements of SpaceandPeople plc for the year ended 31 December 2016.

Key Performance Indicators

The main financial key performance indicators are profit before taxation and non-recurring costs attributable to owners of the Company and basic EPS. During the year profit before taxation and non-recurring costs attributable to owners of the Company fell by 94% to £0.1million and basic EPS before non-recurring costs fell by 92% to 0.3p.

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 2016 totalled £429,000 (2015: £390,000) which was equivalent to 2.20p per share (2015: 2.00p per share). The Directors are not recommending a dividend in 2017.

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
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 16 to 18.

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	%
Gresham House Strategic plc	3,162,500	16.20
The Gresham House Number 1 Pension Scheme	1,186,000	6.08
Hargreave Hale Limited	960,000	4.92
Gerald Oury	773,000	3.96
Boyles Asset Management	625,183	3.20

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 (2015: £nil).

Financial Risk Review

Detailed financial risk management objectives and policies are disclosed in note 21 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 2017

SpaceandPeople plc

Corporate Governance Report

For the 12 months ended 31 December 2016

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.

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	7	1	1	2	2
M J Bending – Chief Executive Officer	7	7	-	-	-	-
N J Cullen – Chief Operating Officer	7	6	-	-	-	-
G R Dunlay – Chief Financial Officer	7	7	-	-	-	-
R A Chadwick – Non-Executive Director	7	5	1	1	2	2
S R Curtis – Non-Executive Director	7	5	-	-	-	-
W G Watt – Non-Executive Director	7	7	1	1	2	2

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.

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 2016 are given in notes 26 and 27 to the financial statements.
- Other benefits – The Executive Directors are entitled to join the Group's Private Medical Insurance scheme.
- Car Benefits – car benefits have been provided to assist the executive directors in the performance of their roles and are designed to be cost effective.

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**	**2016**	**2015**
	£	**£**	**£**	**£**	**£**
C G Hammond	40,000	-	-	40,000	40,000
M J Bending	144,196	9,585	7,210	160,991	154,947
N J Cullen	133,104	2,913	6,655	142,672	137,405
G R Dunlay	133,104	2,672	6,655	142,431	136,946
R A Chadwick [1]	18,000	-	-	18,000	18,000
S R Curtis	15,000	-	-	15,000	15,000
W G Watt	20,000	-	-	20,000	20,000
M D Kemp [2]	-	-	-	-	11,490
	503,404	**15,170**	**20,520**	**539,094**	**533,788**

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

[2] resigned 3 November 2014

Directors' interests in shares

The interests of the Directors in the shares of the Company at 31 December 2016, together with their interests at 31 December 2015, were as follows:

	Number of ordinary 1p shares 31 December 2016	31 December 2015
Matthew Bending	2,102,200	2,102,200
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 2016, in options over the ordinary shares of the Company were as follows:

	At 31 December 2015	Granted	Exercised	Surrendered	Lapsed	At 31 December 2016	Exercise Price	Date of Grant	Date from which exercisable	Expiry date
Matthew Bending	200,000	-	-	-	-	200,000	47.4p	12/01/15	12/01/18	12/01/25
	-	120,000	-	-	-	120,000	61.0p	31/03/16	31/03/19	31/03/27
Nancy Cullen	200,000	-	-	-	-	200,000	47.4p	12/01/15	12/01/18	12/01/25
	-	120,000	-	-	-	120,000	61.0p	31/03/16	31/03/19	31/03/27
Gregor Dunlay	200,000	-	-	-	-	200,000	47.4p	12/01/15	12/01/18	12/01/25
	-	120,000	-	-	-	120,000	61.0p	31/03/16	31/03/19	31/03/27
Total	**600,000**	**360,000**	-	-	-	**960,000**				

All of these share options are subject to performance criteria.

Charles Hammond
Chairman of the Remuneration Committee
24 March 2017

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 2016 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 11, 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 2016, and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the 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 2017

SpaceandPeople plc

Consolidated Statement of Comprehensive Income

For the 12 months ended 31 December 2016

	Notes	12 months to 31 December '16 £'000	Restated – 12 months to 31 December '15 £'000
Revenue	4	**9,661**	**11,433**
Cost of Sales	4	(4,133)	(3,947)
Gross Profit		**5,528**	**7,486**
Administration expenses		(5,618)	(6,713)
Other operating income		194	295
Operating Profit before non-recurring costs		**104**	**1,068**
Non-recurring costs	7	(289)	-
Operating (Loss) / Profit		**(185)**	**1,068**
Finance costs	8	(40)	(28)
(Loss) / Profit before taxation		**(225)**	**1,040**
Taxation	9	(44)	(197)
(Loss) / Profit after taxation from continuing operations		**(269)**	**843**
Discontinued Operations	10	**(543)**	21
(Loss) / Profit after taxation		**(812)**	**864**
Other Comprehensive income			
Foreign exchange differences on translation of foreign operations		104	(39)
Total comprehensive income for the period		**(708)**	**825**
(Loss) / Profit for the year attributable to:			
Owners of the Company		(660)	831
Non-controlling interests		(152)	33
		(812)	**864**
Total comprehensive income for the period attributable to:			
Owners of the Company		(556)	792
Non-controlling interests		(152)	33
Total comprehensive income for the period		**(708)**	**825**
Earnings per share	25		
Basic – Before non-recurring costs		0.3p	4.26p
Basic – After non-recurring costs		(3.38p)	4.26p
Diluted – Before non-recurring costs		0.3p	3.89p
Diluted – After non-recurring costs		(3.12p)	3.89p

SpaceandPeople plc

Consolidated Statement of Financial Position

At 31 December 2016

Company number SC212277

	Notes	31 December '16 £'000	31 December '15 £'000
Assets			
Non-current assets:			
Goodwill	13	8,225	8,225
Other intangible assets	14	21	17
Property, plant & equipment	15	1,558	1,625
		9,804	**9,867**
Current assets:			
Trade & other receivables	17	3,350	4,205
Cash & cash equivalents	18	1,584	1,723
		4,934	**5,928**
Total assets		**14,738**	**15,795**
Liabilities			
Current liabilities:			
Trade & other payables	19	4,266	4,506
Current tax payable	19	(146)	18
Other borrowings	20	1,000	250
		5,120	**4,774**
Non-current liabilities:			
Deferred tax liabilities	16	90	58
Long-term loan	20	200	750
		290	**808**
Total liabilities		**5,410**	**5,582**
Net assets		**9,328**	**10,213**
Equity			
Share capital	23	195	195
Share premium		4,868	4,868
Special reserve		233	233
Retained earnings		3,762	4,747
Equity attributable to owners of the Company		**9,058**	**10,043**
Non-controlling interest		270	170
Total equity		**9,328**	**10,213**

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2017.
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 2016

	Notes	12 months to 31 December '16 £'000	12 months to 31 December '15 £'000
Cash flows from operating activities			
Cash generated from operations		335	192
Interest paid	8	(40)	(28)
Taxation		128	39
Net cash inflow from operating activities		**423**	**203**
Cash flows from investing activities			
Purchase of intangible assets	14	(25)	(15)
Purchase of property, plant & equipment	15	(308)	(690)
Net cash (outflow) from investing activities		**(333)**	**(705)**
Cash flows from financing activities			
Bank facility received		200	500
Dividends paid	12	(429)	(390)
Net cash inflow / (outflow) from Financing activities		**(229)**	**110**
(Decrease) / Increase in cash and cash equivalents		**(139)**	**(392)**
Cash and cash equivalents at beginning of period		1,723	2,115
Cash and cash equivalents at end of period	18	**1,584**	**1,723**

Reconciliation of operating profit to net cash flow from operating activities			
Operating (loss) / profit		(185)	1,068
Operating (loss) / profit from discontinued operation	10	(543)	21
Amortisation of intangible assets	14	16	16
Depreciation of property, plant & equipment	15	328	439
Effect of foreign exchange rate moves		104	(39)
Decrease in receivables		855	16
Decrease in payables		(240)	(1,329)
Cash flow from operating activities		**335**	**192**

SpaceandPeople plc

Consolidated Statement of Changes in Equity

For the 12 months ended 31 December 2016

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
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**
Comprehensive income:						
Foreign currency translation	-	-	-	104	-	104
(Loss) / Profit for the period	-	-	-	(660)	(152)	(812)
Total comprehensive income	**-**	**-**	**-**	**(556)**	**(152)**	**(708)**
Transactions with owners:						
Elimination of non-controlling interest in S&P+	-	-	-	-	252	252
Dividends paid	-	-	-	(429)	-	(429)
Total transactions with owners	**-**	**-**	**-**	**(429)**	**252**	**(177)**
At 31 December 2016	**195**	**4,868**	**233**	**3,762**	**270**	**9,328**

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 2016 and for the comparative period ended 31 December 2015 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 parts 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
IFRS 14 Regulatory Deferral Accounts	Annual periods beginning on or after 1 January 2016	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
IAS 27 - Amendments to "Equity Method in Separate Financial Statements"	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

The following standard will be introduced in future periods

Title	Implementation	Effect on Group
IFRS 15 – 'Revenue from Contracts with Customers'	Annual periods beginning on or after 1 January 2018	None
IFRS 9 – 'Financial Instruments (2014)'	Annual periods beginning on or after 1 January 2018	None
IFRS 16 – 'Leases'	Annual periods beginning on or after 1 January 2019	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
IFRS 2 – Amendments to 'Classification and Measurement of share-based payment transactions'	Annual periods beginning on or after 1 January 2018	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.

Commission
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

Acting as principal
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.

Leasing Income
Revenue from leasing activities is recognised on a straight-line basis over the term of the lease.

Licence Fees
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

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

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

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

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, 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 SpaceandPeople India. The comparative figures have been updated to reflect the closure of S&P+ and have now been included in Note 10 Discontinued operations.

Segment revenues and results for 12 months to 31 December '16	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Head Office £'000	Other £'000	Group £'000
Continuing operations revenue	**3,185**	**917**	**3,244**	**2,226**	**-**	**89**	**9,661**
Cost of sales	-	-	(2,829)	(1,304)	-	-	(4,133)
Administrative expenses	(1,718)	(1,162)	(504)	(1,294)	(832)	(108)	(5,618)
Other revenue	-	90	-	100	-	4	194
Non-recurring costs	(87)	-	(126)	-	(76)	-	(289)
Segment operating profit / (loss)	**1,380**	**(155)**	**(215)**	**(272)**	**(908)**	**(15)**	**(185)**
Finance costs	(40)	-	-	-	-	-	(40)
Segment profit / (loss) before taxation	**1,340**	**(155)**	**(215)**	**(272)**	**(908)**	**(15)**	**(225)**

Segment assets and liabilities as at 31 December '16	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Other £'000	Group £'000
Total segment assets	7,130	1,002	4,819	995	792	14,738
Total segment liabilities	(3,334)	(694)	(964)	(352)	(66)	(5,410)
Total net assets	**3,796**	**308**	**3,855**	**643**	**726**	**9,328**

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**	**-**	**149**	**11,433**
Cost of sales	-	-	(2,540)	(1,445)	-	38	(3,947)
Administrative expenses	(1,351)	(2,444)	(405)	(1,317)	(1,039)	(157)	(6,713)
Other revenue	-	59	-	176	-	60	295
Non-recurring costs	-	-	-	-	-	-	-
Segment operating profit / (loss)	**1,712**	**53**	**206**	**46**	**(1,039)**	**90**	**1,068**
Finance costs	(28)	-	-	-	-	-	(28)
Segment profit / (loss) before taxation	**1,684**	**53**	**206**	**46**	**(1,039)**	**90**	**1,040**

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**

5. Operating profit

The operating profit is stated after charging:

	12 months to December '16 £'000	12 months to December '15 £'000
Motor vehicle leasing	93	68
Property leases	369	298
Amortisation of intangible assets	16	16
Depreciation of property, plant and equipment	328	439
	806	**821**
Auditor's remuneration:		
Fees payable for:		
Audit of Company	19	19
Audit of subsidiary undertakings	22	22
Tax services	4	4
Other services	3	2
	48	**47**
Directors' remuneration	**539**	**534**

6. Staff costs

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

	12 months to December '16	12 months to December '15
Executive Directors	3	3
Non-executive Directors	3	3
Administration	30	32
Telesales	60	64
Commercial	15	24
Maintenance	7	6
	118	**132**

	12 months to December '16 £'000	12 months to December '15 £'000
Wages and salaries	4,149	4,208
Social Security costs	481	497
Pensions	50	57
	4,680	**4,762**

Details of Directors' emoluments, including details of share option schemes, are given in the remuneration report on pages 16 to 18. These disclosures form part of the audited financial statements of the Group.

7. Non-recurring costs

During the period, the Group incurred one off costs of £289k (2015: Nil). £163k was incurred relating to restructuring of the UK and German retail divisions and £126k incurred relating to the MPK France pilot.

8. Finance income and costs

	12 months to December '16 £'000	12 months to December '15 £'000
Finance costs:		
Interest payable	**(40)**	**(28)**

9. Taxation

	12 months to December '16 £'000	12 months to December '15 £'000
Current tax expense:		
Current tax on profits for the year	70	117
Adjustment for (over) / under provision in prior periods	(62)	7
Total current tax	8	124
Foreign tax:		
Current tax on foreign income for the period	-	25
Adjustment for under provision in prior periods	4	-
Total foreign tax	4	25
Deferred tax:		
Charge / credit in respect of tax losses	37	(37)
Charge in respect of temporary timing differences	(18)	85
Charge in relation to prior period	13	-
Total deferred tax	32	48
Income tax expense as reported in the Income Statement	**44**	**197**

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 '16 £'000	12 months to December '15 £'000
Profit on ordinary activities before tax	(768)	1,061
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2015: 20.25%)		
Jan – Mar 2015: 21%	-	56
Apr – Dec 2015: 20%	-	159
Jan – Dec 2016: 20%	(154)	-
Tax effect of:		
- Prior period adjustment	(59)	7
- Difference due to foreign taxation rates	-	12
- Tax losses	(17)	(37)
- Disallowable items	274	-
Income tax expense as reported in the Income Statement	**44**	**197**

10. Discontinued operations

During the period, the Group took decision to close its S&P+ business, which operated in a niche sector distinct from SpaceandPeople's core business. SpaceandPeople owned 51% of S&P+ and didn't consider it prudent to continue funding the venture beyond what had already been provided. The combined results of the discontinued operations included in the loss for the year are set out below. The comparative loss / profit from discontinued operations have been represented to include those operations classified as discontinuing in the current year.

Profit / (Loss) for the year from discontinued operations	12 months to December '16 £'000	12 months to December '15 £'000
Revenue	487	2,381
Cost of Sales	(343)	(1,738)
Gross Profit	**144**	**643**
Administration expenses	(435)	(622)
Results from Operating activities (Net of Tax)	**(291)**	**21**
Non-controlling interest eliminated	(252)	-
(Loss) / profit for period from Discontinued operations	**(543)**	**21**

11. 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 loss after tax and before dividends of (£73k) after the incorporation of all UK head office costs (2015 profit: £568k) which is dealt with in the financial statements of the parent Company.

12. Dividends

	12 months to December '16 £'000	12 months to December '15 £'000
Paid during the period	429	390
Recommended final dividend	-	429

Equity – No final dividend is recommended for 2016 (final dividend for 2015 – 2.20p per ordinary share)

13. Goodwill

Cost	£'000
At 31 December 2014	8,225
Additions	-
At 31 December 2015	8,225
Additions	-
At 31 December 2016	**8,225**
Accumulated impairment losses	
At 31 December 2014	-
Charge for the period	-
At 31 December 2015	-
Charge for the period	-
At 31 December 2016	**-**
Net book value	
At 31 December 2014	8,225
At 31 December 2015	8,225
At 31 December 2016	**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 the UK Retail sub group 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 the UK Retail sub group 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 3% per annum. Cash flow projections during the budget period are based on an average growth in EBITDA which the Directors consider to be 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.

14. Other intangible assets

Cost	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2014	284	137	71	492
Additions	-	-	15	15
At 31 December 2015	284	137	86	507
Additions	-	-	25	25
Elimination of S&P+	-	-	(8)	(8)
At 31 December 2016	**284**	**137**	**103**	**524**

Amortisation	Website Development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2014	284	137	53	474
Charge for the period	-	-	16	16
At 31 December 2015	284	137	69	490
Charge for the period	-	-	16	16
Elimination of S&P+	-	-	(3)	(3)
At 31 December 2016	**284**	**137**	**82**	**503**

Net book value	Website development £'000	Product Development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2014	-	-	18	18
At 31 December 2015	-	-	17	17
At 31 December 2016	**-**	**-**	**21**	**21**

15. 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 2014	2,281	258	478	3,017
Additions	626	-	64	690
At 31 December 2015	2,907	258	542	3,707
Additions	151	16	159	326
Disposals	(18)	-	-	(18)
Elimination of S&P+	-	-	(127)	(127)
At 31 December 2016	**3,040**	**274**	**574**	**3,888**

Depreciation	Plant & Equipment £'000	Fixture & Fittings £'000	Computer Equipment £'000	Total £'000
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
Charge for the period	235	3	90	328
Elimination of S&P+	-	-	(80)	(80)
At 31 December 2016	**1,643**	**249**	**438**	**2,330**

Net book value	Plant & equipment £'000	Fixture & Fittings £'000	Computer Equipment £'000	Total £'000
At 31 December 2014	1,215	25	134	1,374
At 31 December 2015	1,499	12	114	1,625
At 31 December 2016	**1,397**	**25**	**136**	**1,558**

16. Deferred tax

	31 December '16 £'000	31 December '15 £'000
Deferred tax liability:		
Deferred tax liability to be recognised after more than 12 months	90	95
Deferred tax assets:		
Deferred tax asset to be recognised after less than 12 months	-	(37)
Deferred tax liability (net)	**90**	**58**

At 1 January 2016	58	10
Debit / (Credit) in respect of losses	37	(37)
Charge in respect of temporary timing differences on property, plant and equipment	(5)	85
At 31 December 2016	**90**	**58**

17. Trade and other receivables

	31 December '16 £'000	31 December '16 £'000
Trade debtors	2,530	3,516
Other debtors	469	443
Prepayments	351	246
Total	**3,350**	**4,205**
Amounts falling due after more than one year included above are:	424	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 2016, trade receivables of £345k (2015: £596k) 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 '16	2,185	96	72	177	**2,530**
31 December '15	2,920	130	94	372	**3,516**

18. Cash and cash equivalents

	31 December '16 £'000	31 December '15 £'000
Cash at bank and on hand	1,584	1,723
	1,584	**1,723**

19. Trade and other payables

	31 December '16 £'000	31 December '15 £'000
Trade creditors	514	628
Other creditors	1,625	1,470
Social Security and other taxes	395	610
Accrued expenses	1,404	1,342
Deferred income	328	456
Trade and other payables	**4,266**	**4,506**
Corporation tax	(146)	18
Total	**4,120**	**4,524**

20. Other borrowings

	31 December '16 £'000	31 December '15 £'000
Bank loan:		
Less than one year	1,000	250
Greater than one year	200	750
	1,200	**1,000**

As at 31 December 2016, SpaceandPeople plc had drawn down £1.2 million (2015: £1 million) of its agreed bank facility of £2 million (2015: £2 million), £1 million of which expires in July 2017 and the other £1 million expires in July 2019. The Group is in technical breach of its covenants in relation to these facilities and no further drawdown is permitted until the covenant breaches have been resolved.

21. 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 and this is expected to strengthen further during 2017.

Borrowing facilities – The Group has agreed facilities of £2 million, of which £1.2 million was utilised at the year end.
£1 million was drawn down from a £1 million facility, which expires in July 2017, at a rate of 2.99% above base rate. The other £200k was drawn down from the other £1 million facility, which expires in July 2019, at a rate of 2.99% 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.

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 £1.2 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.

22. Operating lease commitments

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

	31 December '16 £'000	31 December '15 £'000
Within 1 year	863	1,820
Between 2 and 5 years inclusive	499	1,239

23. Called up share capital

Allotted, issued and fully paid			31 December '16	31 December '15
Class	Nominal value			
Ordinary	1p	£	195,196	195,196
		Number	19,519,563	19,519,563

24. 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 16 to 18.

25. Earnings per share

	12 months to 31 December '16 Pence per share	12 months to 31 December '15 Pence per share
Basic earnings per share		
Before non-recurring costs	0.3p	4.26p
After non-recurring costs	(3.38p)	4.26p
Diluted earnings per share		
Before non-recurring costs	0.3p	3.89p
After non-recurring costs	(3.12p)	3.89p

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 '16 £'000	12 months to 31 December '15 £'000
Profit after tax for the period attributable to owners of the Company	(660)	831
Profit after tax for the period before non-recurring costs attributable to owners of the company	67	831

	12 months to 31 December '16 '000	12 months to 31 December '15 '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 '16 £'000	12 months to 31 December '15 £'000
Profit after tax for the period attributable to owners of the Company	(660)	831
Profit after tax for the period before non-recurring costs attributable to owners of the company	67	831

	12 months to 31 December '16 '000	12 months to 31 December '15 '000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	21,169	21,386

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 '16 '000	12 months to 31 December '15 '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	1,649	1,866
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	21,169	21,386

26. 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 1,680,000 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
12 January 2015	980,000	12 January 2018 – 12 January 2025	47.4p
31 March 2016	700,000	31 March 2019 – 31 March 2027	61.0p

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

	12 months to 31 December '16	12 months to 31 December '15
Number of options outstanding as at the beginning of the period	985,307	1,130,082
Granted	700,000	980,000
Lapsed	(20,307)	(1,109,775)
Forfeited	(107,765)	(15,000)
Number of options outstanding as at the end of the period	1,557,235	985,307

In total, 1,557,235 options were outstanding at 31 December 2016 (985,307 at 31 December 2015) with a weighted average exercise price of 53.1p (47.6p at 31 December 2015).

The total share-based payment charge for the year, calculated in accordance with IFRS2 on share based payments, was £nil (2015: £3k).

27. 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 '16	12 months to 31 December '15
Number of options outstanding as at the beginning of the period	257,863	-
Granted	-	273,515
Forfeited	(110,579)	(15,652)
Number of options outstanding as at the end of the period	147,284	257,863

In total, 147,284 options were outstanding at 31 December 2016 (257,863 at 31 December 2015) with an exercise price of 46p (46p at 31 December 2015).

The total share-based payment charge for the year, calculated in accordance with IFRS2 on share based payments, was £nil (2015: £7k).

SpaceandPeople plc

Company Statement of Financial Position

At 31 December 2016

Company number SC212277

	Notes	31 December '16 £'000	31 December '15 £'000
Assets			
Non-current assets:			
Investment in subsidiaries	4	5,427	5,427
Loan notes	4	1,728	1,728
Other intangible assets	5	21	13
Property, plant & equipment	6	690	622
		7,866	**7,790**
Current assets:			
Trade & other receivables	8	2,404	2,508
Cash & cash equivalents	9	593	466
		2,997	**2,974**
Total assets		**10,863**	**10,764**
Liabilities			
Current liabilities:			
Trade & other payables	10	3,702	3,380
Current tax payable	10	36	39
Other borrowings	11	1,000	250
		4,738	**3,669**
Non-current liabilities:			
Long-term loan	11	200	750
Deferred tax	7	91	85
Total liabilities		**5,029**	**4,504**
Net assets		**5,834**	**6,260**
Equity			
Share capital	13	195	195
Share premium		4,868	4,868
Special reserve		233	233
Retained earnings		538	964
Shareholders' equity		**5,834**	**6,260**

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2017.
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 2016

	Notes	12 months to 31 December '16 £'000	12 months to 31 December '15 £'000
Cash flows from operating activities			
Cash generated from operations		606	660
Interest paid		(40)	(28)
Taxation		43	(94)
Net cash inflow (outflow) from operating activities		**609**	**538**
Cash flows from investing activities			
Interest received		-	34
Purchase of intangible assets	5	(23)	(13)
Purchase of property, plant & equipment	6	(230)	(623)
Net cash (outflow) from investing activities		**(253)**	**(602)**
Cash flows from financing activities			
Bank loan drawn down / (repaid) in year	11	200	500
Dividends paid		(429)	(390)
Net cash inflow / (outflow) from Financing activities		**(229)**	**110**
Increase / (decrease) in cash and cash equivalents		**127**	**46**
Cash and cash equivalents at beginning of period		466	420
Cash and cash equivalents at end of period	**9**	**593**	**466**

Reconciliation of operating profit to net cash flow from operating activities			
Operating (loss) / profit		3	694
Amortisation of intangible assets	5	15	18
Depreciation of property, plant & equipment	6	162	134
(Increase) / decrease in receivables	8	104	(89)
(Decrease) / increase in payables	10	322	(97)
Cash flow from operating activities		**606**	**660**

SpaceandPeople plc

Company Statement of Changes in Equity

For the 12 months ended 31 December 2016

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained earnings £'000	Total equity £'000
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**
Comprehensive income:					
Profit for the period	-	-	-	3	3
Total comprehensive Income	**-**	**-**	**-**	**3**	**3**
Transactions with owners:					
Dividends paid	-	-	-	(429)	(429)
Total transactions with Owners	**-**	**-**	**-**	**(429)**	**(429)**
At 31 December 2016	**195**	**4,868**	**233**	**538**	**5,834**

Notes to the Company Financial Statements

For the 12 months ended 31 December 2016

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 2016 and for the comparative period ended 31 December 2015 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 parts 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 loss after tax and before dividends of (£73k) after the incorporation of all UK head office costs (2015 profit: £568k) 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 2014	7,155
Additions	-
As at 31 December 2015	7,155
Additions	-
As at 31 December 2016	**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 '16	31 December '15
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	0%	51%

During the period, the Group took decision to close its S&P+ business, which operated in a niche sector distinct from SpaceandPeople's core business. SpaceandPeople owned 51% of S&P+ and didn't consider it prudent to continue funding the venture beyond what had already been provided.

5. Other intangible assets

Cost	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2014	284	137	71	492
Additions	-	-	13	13
At 31 December 2015	284	137	84	505
Additions	-	-	23	23
At 31 December 2016	**284**	**137**	**107**	**528**

Amortisation	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2014	284	137	53	474
Charge for the period	-	-	18	18
At 31 December 2015	284	137	71	492
Charge for the period	-	-	15	15
At 31 December 2016	**284**	**137**	**86**	**507**

Net book value	Website Development £'000 £'000	Product development £'000 £'000	Patents & trademarks £'000 £'000	Total £'000 £'000
At 31 December 2014	-	-	18	18
At 31 December 2015	-	-	13	13
At 31 December 2016	**-**	**-**	**21**	**21**

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 2014	178	426	604
Additions	564	59	623
At 31 December 2015	742	485	1,227
Additions	134	102	236
Disposals	(6)	-	(6)
At 31 December 2016	**870**	**587**	**1,457**

Depreciation	Fixture & fittings £'000	Computer equipment £'000	Total £'000
At 31 December 2014	168	303	471
Charge for the period	61	73	134
At 31 December 2015	229	376	605
Charge for the period	87	75	162
At 31 December 2016	**316**	**451**	**767**

Net book value	Fixture & fittings £'000	Computer equipment £'000	Total £'000
At 31 December 2014	10	123	133
At 31 December 2015	513	109	622
At 31 December 2016	**554**	**136**	**690**

7. Deferred tax

	31 December '16 £'000	31 December '15 £'000
Deferred tax liability:		
Deferred tax liability to be recognised after more than 12 months	91	85
Deferred tax liability	**91**	**85**

At 1 January 2016	85	-
Charge in respect of temporary timing differences on property, plant and equipment	6	85
At 31 December 2016	**91**	**85**

8. Trade and other receivables

	31 December '16 £'000	31 December '15 £'000
Trade debtors	917	1,108
Other debtors	427	400
Prepayments	190	68
Amounts due from related parties	870	932
Total	**2,404**	**2,508**
Amounts falling due after more than one year included above are:	424	400

The ageing of trade debtors:

	Current £'000	0 – 30 Days £'000	31 – 60 Days £'000	61 Days + £'000	Total £'000
31 December '16	678	46	29	164	**917**
31 December '15	712	76	48	272	**1,108**

9. Cash and cash equivalents

	31 December '16 £'000	31 December '15 £'000
Cash at bank and on hand	593	466
	593	**466**

10. Trade and other payables

	31 December '16 £'000	31 December '15 £'000
Trade creditors	72	103
Other creditors	1,499	1,095
Social Security and other taxes	391	485
Accrued expenses	162	84
Amounts due to related parties	1,578	1,613
Trade and other payables	**3,702**	**3,380**
Corporation tax	36	39
Total	**3,738**	**3,419**

11. Non-current liabilities

As at 31 December 2016, SpaceandPeople plc had drawn down £1.2 million (2015: £1 million) of its agreed bank facility of £2 million (2015: £2 million), £1 million of which is in current liabilities.

£1 million of the bank facility expires in July 2017 and the other £1 million expires in July 2019. The Group is in technical breach of its covenants in relation to these facilities and no further drawdown is permitted until the covenant breaches have been resolved.

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 '16 £'000	31 December '15 £'000
Within 1 year	163	83
Between 2 and 5 years inclusive	388	289

13. Called up share capital

Allotted, issued and fully paid			31 December '16	31 December '15
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 26 and 27 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: POP Retail Limited £1,007,974 (2015: £777,514), SpaceandPeople GmbH £338,274 (2015: £351,721), Retail Profile Europe GmbH £273,040 (2015: £309,645)

At 31 December 2016, the Company had the following balance with Group companies:

Amount due from SpaceandPeople GmbH	**£649,304**
Amount due from Retail Profile GmbH	**£221,070**
Amount due to POP Retail Limited	**(£1,004,038)**
Amount due to Retail Profile Holdings Limited	**(£574,010)**

SpaceandPeople plc

Company Information

For the 12 months ended 31 December 2016

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 Glasgow G51 4BP
Bankers:	Lloyds TSB Bank plc 39 Threadneedle Street London EC2R 8AU
Solicitors:	Sherrards Solicitors LLP 1 – 3 Pemberton Row London EC4A 3BG

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