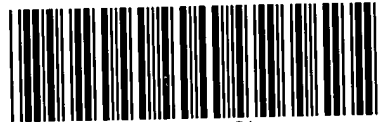


REGISTERED NUMBER: 07097156 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015  
FOR  
2 HEADS GLOBAL HOLDINGS LIMITED  
PREVIOUSLY KNOWN AS ABBOTS 380 LIMITED**

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FOR THE YEAR ENDED 31 JULY 2015**

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**2 HEADS GLOBAL HOLDINGS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 JULY 2015**

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**DIRECTOR:**

P Parra

**REGISTERED OFFICE:**

Crosby House  
Meadowbank  
Furlong Road  
Bourne End  
Buckinghamshire  
SL8 5AJ

**REGISTERED NUMBER:**

07097156 (England and Wales)

**AUDITORS:**

Choice Accountants Limited, Statutory Auditor  
Chartered Certified Accountants  
Indigo House  
Mulberry Business Park  
Fishponds Road  
Wokingham  
Berkshire  
RG41 2GY

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2015**

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The director presents his strategic report of the company and the group for the year ended 31 July 2015.

**REVIEW OF BUSINESS**

2015 was the third year that includes the results of all of the subsidiary companies for the full period following the acquisitions completed in 2012. The group's main KPIs are gross profit margin and profit after tax. The GP margin has remained at the targeted range 29.0% in 2015 (2014: 31.0%). Operating profit has risen in 2015 to £328,144 (2014: £104,664), which is back in line with the level achieved in 2013.

The directors are pleased with the progress of the group during the year, especially the US subsidiary which has made a profit for the third consecutive year.

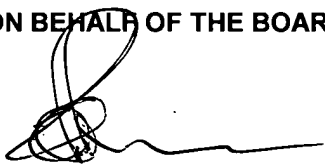
The directors expect the business to continue to strengthen and remain profitable in 2016, as it continues to invest in the team and new business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The group and company are exposed to a variety of risks arising from both industry and macro economic factors. Particular risks include pressure from competitors, foreign exchange and currency movements. The management team meet on a regular basis to review these risks and have developed strategies to mitigate them wherever possible.

The board monitors the group and company's performance through regular information and management reports. The key performance indicators (KPIs) include levels of turnover, staff utilisation and the recovery of time on individual contracts. Comprehensive management reports are prepared and monitored in line with a financial plan that is set at the start of the year. On a day to day basis this means a relentless focus on outstanding client service and quality in everything that is delivered.

**ON BEHALF OF THE BOARD:**



.....  
P Parra - Director

Date: 18th April 2016

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 JULY 2015**

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The director presents his report with the financial statements of the company and the group for the year ended 31 July 2015.

**CHANGE OF NAME**

The group passed a special resolution on 13 May 2015 changing its name from Abbots 380 Limited to 2 Heads Global Holdings Limited.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 July 2015.

**FUTURE DEVELOPMENTS**

The focus of the business remains on strategic growth both geographically and in client offerings, with no significant future developments anticipated at this stage.

**DIRECTOR**

P Parra held office during the whole of the period from 1 August 2014 to the date of this report.

**FINANCIAL INSTRUMENTS**

The group operates on a day to day basis with working capital facilities including cash and hire purchase facilities. The group does not utilise any long or short term debt instruments. The group and company does not use financial instruments in its day to day operations or financing.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

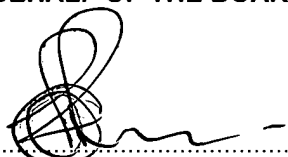
**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 JULY 2015**

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**AUDITORS**

The auditors, Choice Accountants Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
P Parra - Director

Date: 15<sup>th</sup> April 2016

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF 2 HEADS GLOBAL HOLDINGS LIMITED**

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We have audited the financial statements of 2 Heads Global Holdings Limited for the year ended 31 July 2015 on pages seven to twenty six. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 director and auditors**

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

### **Scope of the audit of the financial statements**

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 July 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
2 HEADS GLOBAL HOLDINGS LIMITED**

---

**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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Benjamin Loveday FCCA (Senior Statutory Auditor)  
for and on behalf of Choice Accountants Limited, Statutory Auditor  
Chartered Certified Accountants  
Indigo House  
Mulberry Business Park  
Fishponds Road  
Wokingham  
Berkshire  
RG41 2GY

Date: 18<sup>th</sup> April 2016



**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>	2	<b>13,090,445</b>	11,023,443
Cost of sales		<u>(9,292,110)</u>	<u>(7,606,843)</u>
<b>GROSS PROFIT</b>		<b>3,798,335</b>	3,416,600
Administrative expenses		<u>(3,470,191)</u>	<u>(3,311,936)</u>
<b>OPERATING PROFIT</b>	4	<b>328,144</b>	104,664
Surrender of lease		<u>-</u>	<u>(573,000)</u>
		<b>328,144</b>	(468,336)
Interest receivable and similar income		<u>1,090</u>	<u>1,772</u>
		<b>329,234</b>	(466,564)
Interest payable and similar charges	5	<u>(15,787)</u>	<u>(6,914)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>313,447</b>	(473,478)
Tax on profit/(loss) on ordinary activities	6	<u>(141,698)</u>	<u>(120,063)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>171,749</b>	(593,541)
Minority interest - equity		<u>(33,230)</u>	<u>(5,421)</u>
<b>RETAINED PROFIT/(DEFICIT) FOR THE GROUP CARRIED FORWARD</b>		<u><b>138,519</b></u>	<u>(598,962)</u>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

**CONSOLIDATED BALANCE SHEET**  
**31 JULY 2015**

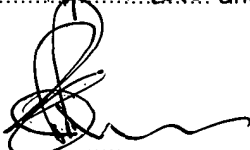
	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Intangible assets	8	1,955,668	2,344,266
Tangible assets	9	267,250	260,513
Investments	10	-	-
		<u>2,222,918</u>	<u>2,604,779</u>
<b>CURRENT ASSETS</b>			
Stocks	11	118,291	80,512
Debtors	12	2,017,937	1,899,168
Cash at bank and in hand		1,517,108	821,320
		<u>3,653,336</u>	<u>2,801,000</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(2,234,914)	(1,911,384)
<b>NET CURRENT ASSETS</b>		<u>1,418,422</u>	<u>889,616</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,641,340</b>	<b>3,494,395</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(212,615)	(245,755)
<b>PROVISIONS FOR LIABILITIES</b>	16	(28,566)	(26,669)
<b>MINORITY INTERESTS</b>	17	51,508	15,123
<b>NET ASSETS</b>		<u><u>3,348,651</u></u>	<u><u>3,206,848</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	50,030	50,030
Share premium	19	2,969,970	2,969,970
Other reserves	19	(32,200)	(35,484)
Profit and loss account	19	360,851	222,332
<b>SHAREHOLDERS' FUNDS</b>	22	<u><u>3,348,651</u></u>	<u><u>3,206,848</u></u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET - continued**  
**31 JULY 2015**

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The financial statements were approved and authorised for issue by the director on  
..... (8th April 2016) ..... and were signed by:



.....  
P Parra - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET  
31 JULY 2015

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Intangible assets	8	-	-
Tangible assets	9	-	-
Investments	10	5,500,000	5,500,000
		<u>5,500,000</u>	<u>5,500,000</u>
<b>CURRENT ASSETS</b>			
Debtors	12	20,000	120,967
<b>CREDITORS</b>			
Amounts falling due within one year	13	(691)	(100,967)
<b>NET CURRENT ASSETS</b>		<u>19,309</u>	<u>20,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,519,309</u>	<u>5,520,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	50,030	50,030
Share premium	19	2,969,970	2,969,970
Profit and loss account	19	2,499,309	2,500,000
<b>SHAREHOLDERS' FUNDS</b>	22	<u>5,519,309</u>	<u>5,520,000</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued  
31 JULY 2015

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The financial statements were approved and authorised for issue by the director on  
15th April 2016 and were signed by:



.....  
P Parra - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2015**

	Notes	2015 £	2014 £
<b>Net cash inflow/(outflow) from operating activities</b>	1	<b>1,178,020</b>	<b>(334,339)</b>
<b>Returns on investments and servicing of finance</b>	2	<b>(14,697)</b>	<b>(5,142)</b>
<b>Taxation</b>		<b>(317,713)</b>	<b>(580)</b>
<b>Capital expenditure</b>	2	<b>(81,611)</b>	<b>(181,510)</b>
		<b>763,999</b>	<b>(521,571)</b>
<b>Financing</b>	2	<b>(68,211)</b>	<b>656,463</b>
<b>Increase in cash in the period</b>		<b>695,788</b>	<b>134,892</b>
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase in cash in the period		<b>695,788</b>	134,892
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<b>35,360</b>	<b>(27,434)</b>
Change in net funds resulting from cash flows		<b>731,148</b>	107,458
<b>Movement in net funds in the period</b>		<b>731,148</b>	107,458
<b>Net funds at 1 August</b>		<b>740,431</b>	632,973
<b>Net funds at 31 July</b>		<b>1,471,579</b>	<b>740,431</b>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2015**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating profit	328,144	104,664
Depreciation charges	490,027	463,557
(Profit)/loss on disposal of fixed assets	(26,000)	30,408
Foreign exchange on MI	-	(1,461)
Foreign exchange on consolidation	2,729	(28,687)
Exceptional item	-	(573,000)
Increase in stocks	(37,779)	(1,165)
Increase in debtors	(111,078)	(491,575)
Increase in creditors	531,977	162,920
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,178,020</b>	<b>(334,339)</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,090	1,772
Interest paid	(10,435)	(28)
Interest element of hire purchase payments	(5,352)	(6,886)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(14,697)</b>	<b>(5,142)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(118,586)	(181,510)
Sale of tangible fixed assets	36,975	-
<b>Net cash outflow for capital expenditure</b>	<b>(81,611)</b>	<b>(181,510)</b>
<b>Financing</b>		
Capital repayments in year	(35,360)	27,434
Amount introduced by directors	-	1,176,869
Amount withdrawn by directors	(32,851)	(547,840)
<b>Net cash (outflow)/inflow from financing</b>	<b>(68,211)</b>	<b>656,463</b>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2015**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/8/14 £	Cash flow £	At 31/7/15 £
Net cash:			
Cash at bank and in hand	821,320	695,788	1,517,108
	<u>821,320</u>	<u>695,788</u>	<u>1,517,108</u>
Debt:			
Hire purchase	(80,889)	35,360	(45,529)
	<u>(80,889)</u>	<u>35,360</u>	<u>(45,529)</u>
Total	<u>740,431</u>	<u>731,148</u>	<u>1,471,579</u>

The notes form part of these financial statements



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

---

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents invoiced amounts excluding Value Added Tax (VAT) and trade discounts.

In respect of long-term contracts and contracts for ongoing services, turnover represents the value of work done in the year, including estimates of amounts invoiced. Turnover in respect of long-term contracts and contracts for ongoing services is recognised by reference to the stage of completion.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of ten years.

**Tangible fixed assets**

Tangible fixed assets are recorded at historical cost less accumulated depreciation. Cost comprises the purchase price and any costs directly attributable to bringing the asset to its working condition and location for its intended use. Depreciation is provided at the following annual rates in order to write down the cost of each asset to its estimated residual value over its estimated useful life.

Land and buildings - 15%

Plant and machinery etc - 20%

**Stocks**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Deferred tax**

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events had occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2015**

---

**1. ACCOUNTING POLICIES - continued**

**Foreign currencies**

**(a) Functional and presentational currency**

In the group's financial statements, all assets, liabilities and transactions of the group's entities are translated into sterling (the functional currency of the parent company). Average exchange rates are used to translate the income and expenses of all subsidiaries that have a functional currency other than sterling where there has been no significant fluctuation in the rate. The balance sheets of such entities are translated at period end exchange rates. All resulting exchange differences are recognised as a separate component of equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in equity.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

Fixed assets are measured at historical cost and translated using the exchange rates at the date of transaction (not retranslated).

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2015**

**2. TURNOVER**

The turnover and profit (2014 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	2,992,346	2,536,697
Europe	6,872,927	5,349,487
USA and South America	2,855,176	2,325,305
Asia and ROW	369,996	637,649
Middle East	-	174,305
	<u>13,090,445</u>	<u>11,023,443</u>

**3. STAFF COSTS**

	2015 £	2014 £
Wages and salaries	1,750,088	1,738,880
Social security costs	198,398	199,656
	<u>1,948,486</u>	<u>1,938,536</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Sales	3	3
Design & project management	25	24
Warehouse	3	3
Administrative	5	4
	<u>36</u>	<u>34</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Hire of plant and machinery	42,385	40,217
Other operating leases	316,950	189,213
Depreciation - owned assets	70,278	37,394
Depreciation - assets on hire purchase contracts	31,151	37,567
(Profit)/loss on disposal of fixed assets	(26,000)	30,408
Goodwill amortisation	388,598	388,597
Auditors' remuneration	11,000	9,000
All other services	2,564	4,222
Foreign exchange differences	(3,649)	86,965
	<u></u>	<u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

## 4. OPERATING PROFIT - continued

Director's remuneration	<u>41,667</u>	<u>61,250</u>
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## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest	143	28
Other interest payable	10,292	-
Hire purchase	5,352	6,886
	<u>15,787</u>	<u>6,914</u>

## 6. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	139,801	105,635
Deferred tax	1,897	14,428
Tax on profit/(loss) on ordinary activities	<u>141,698</u>	<u>120,063</u>

**Factors affecting the tax charge**

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

	2015	2014
	£	£
Profit/(loss) on ordinary activities before tax	<u>313,447</u>	<u>(473,478)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.670% (2014 - 22.330%)	64,789	(105,728)
Effects of:		
Expenses not deductible for tax purposes	108	135,097
Capital allowances in excess of depreciation	(10,743)	(14,008)
Amortisation charge on consolidation	80,323	86,774
Difference in US tax rates	5,450	3,500
Sundry differences due to effective rate not actual	(126)	-
Current tax charge	<u>139,801</u>	<u>105,635</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(691) (2014 - £0 profit).

8. INTANGIBLE FIXED ASSETS

Group

Goodwill  
£

**COST**

At 1 August 2014  
and 31 July 2015

**3,885,979**

**AMORTISATION**

At 1 August 2014  
Amortisation for year

**1,541,713**

**388,598**

At 31 July 2015

**1,930,311**

**NET BOOK VALUE**

At 31 July 2015

**1,955,668**

At 31 July 2014

**2,344,266**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

## 9. TANGIBLE FIXED ASSETS

## Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 August 2014	94,007	79,311	314,177	487,495
Additions	75,236	43,350	-	118,586
Disposals	-	-	(43,888)	(43,888)
Exchange differences	966	-	939	1,905
Reclassification/transfer	3,775	(3,775)	-	-
At 31 July 2015	173,984	118,886	271,228	564,098
<b>DEPRECIATION</b>				
At 1 August 2014	57,487	5,403	164,092	226,982
Charge for year	40,685	17,409	43,335	101,429
Eliminated on disposal	-	-	(32,913)	(32,913)
Exchange differences	637	-	713	1,350
At 31 July 2015	98,809	22,812	175,227	296,848
<b>NET BOOK VALUE</b>				
At 31 July 2015	75,175	96,074	96,001	267,250
At 31 July 2014	36,520	73,908	150,085	260,513

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
<b>COST</b>	
At 1 August 2014	155,764
Transfer to ownership	(38,466)
At 31 July 2015	117,298
<b>DEPRECIATION</b>	
At 1 August 2014	56,708
Charge for year	31,151
Transfer to ownership	(28,372)
Reclassification/transfer	(12,089)
At 31 July 2015	47,398
<b>NET BOOK VALUE</b>	
At 31 July 2015	69,900
At 31 July 2014	99,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

10. FIXED ASSET INVESTMENTS

Company

Shares in  
group  
undertakings  
£

**COST**

At 1 August 2014  
and 31 July 2015

5,500,000

**NET BOOK VALUE**

At 31 July 2015

5,500,000

At 31 July 2014

5,500,000

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**2 Heads Global Design Limited**

Nature of business: Design and supply of exhibition stands.

	%
Class of shares:	holding
Ordinary £1 shares	100.00

**2Heads Design Inc**

Country of incorporation: United States of America

Nature of business: Design and supply of exhibition stands

	%
Class of shares:	holding
Common stock	51.00

11. STOCKS

Group

	2015	2014
	£	£
Work-in-progress	<u>118,291</u>	<u>80,512</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	1,118,748	1,118,169	-	-
Other debtors	517,091	445,914	-	100,967
Directors' current accounts	7,691	-	-	-
VAT	49,967	-	-	-
Called up share capital not paid	20,000	20,000	20,000	20,000
Prepayments and accrued income	304,440	315,085	-	-
	<u>2,017,937</u>	<u>1,899,168</u>	<u>20,000</u>	<u>120,967</u>

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Hire purchase contracts (see note 15)	32,914	35,134	-	-
Trade creditors	1,057,169	932,985	-	-
Amounts owed to group undertakings	-	-	691	-
Tax	118,596	294,907	-	-
Social security and other taxes	65,388	67,322	-	-
VAT	-	110,700	-	-
Other creditors	1,451	130,641	-	100,967
Directors' loan accounts	-	25,160	-	-
Accruals and deferred income	694,133	314,535	-	-
Accrued expenses	265,263	-	-	-
	<u>2,234,914</u>	<u>1,911,384</u>	<u>691</u>	<u>100,967</u>

## 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2015	2014
	£	£
Hire purchase contracts (see note 15)	12,615	45,755
Directors' loan accounts	200,000	200,000
	<u>212,615</u>	<u>245,755</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

## 15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

## Group

	Hire purchase contracts	
	2015	2014
	£	£
Net obligations repayable:		
Within one year	32,914	35,134
Between one and five years	12,615	45,755
	<u>45,529</u>	<u>80,889</u>

The following operating lease payments are committed to be paid within one year:

## Group

	Land and buildings		Other operating leases	
	2015	2014	2015	2014
	£	£	£	£
Expiring:				
Within one year	30,000	26,759	21,970	22,327
Between one and five years	40,535	40,535	23,985	23,985
In more than five years	262,649	135,000	-	-
	<u>333,184</u>	<u>202,294</u>	<u>45,955</u>	<u>46,312</u>

## 16. PROVISIONS FOR LIABILITIES

	Group	
	2015	2014
	£	£
Deferred tax	<u>28,566</u>	<u>26,669</u>
Group		
		Deferred tax
		£
Balance at 1 August 2014		26,669
Credit to Profit and Loss Account during year		<u>1,897</u>
Balance at 31 July 2015		<u>28,566</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

## 17. MINORITY INTERESTS

	Minority interests £
At beginning of the year	15,123
Profit/(loss) for the year	33,230
Foreign exchange movement	3,155
At end of the year	<u>51,508</u>

Included in the share capital of 2Heads Design Inc are 41,650 common stock shares owned by a minority interest, all rights rank pari pasu with those shares held by the group.

## 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2015	2014
Number:	Class:		£	£
50,000	Ordinary	£1	50,000	50,000
2,970,000	Preferred Ordinary	£0.00001	30	30
			<u>50,030</u>	<u>50,030</u>

## 19. RESERVES

## Group

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 August 2014	222,332	2,969,970	(35,484)	3,156,818
Profit for the year	138,519			138,519
Movement during the year	-	-	3,284	3,284
At 31 July 2015	<u>360,851</u>	<u>2,969,970</u>	<u>(32,200)</u>	<u>3,298,621</u>

## Company

	Profit and loss account £	Share premium £	Totals £
At 1 August 2014	2,500,000	2,969,970	5,469,970
Deficit for the year	(691)		(691)
At 31 July 2015	<u>2,499,309</u>	<u>2,969,970</u>	<u>5,469,279</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

20. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2015 and 31 July 2014:

	2015 £	2014 £
<b>P Parra</b>		
Balance outstanding at start of year	-	403,869
Amounts advanced	7,691	-
Amounts repaid	-	(403,869)
Balance outstanding at end of year	<u>7,691</u>	<u>-</u>

No interest has been charged on the above loan.

21. RELATED PARTY DISCLOSURES

**P Parra**

A director of the company.

Mr Parra has provided a long term loan facility to group members of £500,000. At the year end date, £200,000 had been drawn against this facility. Interest is accruing on this balance at 3.5% over the base rate of the National Westminster Bank plc.

	2015 £	2014 £
Amount due to related party at the balance sheet date	<u>200,000</u>	<u>225,160</u>

**2Heads FZ-LLC**

A company which is owned by Mr P Parra.

The group paid expenses on behalf of 2Heads FZ-LLC during the year.

	2015 £	2014 £
Amount due from related party at the balance sheet date	-	39,356
Amounts written off during the year	<u>46,073</u>	<u>-</u>

**PLD Limited**

A company in which Mr Parra is a director and shareholder.

Received a loan from group members during the year.

PLD Limited also charged group members £266,712 for rent, electricity and service charges during the year.

	2015 £	2014 £
Amount due from related party at the balance sheet date	<u>490,708</u>	<u>252,199</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2015

## 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

**Group**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial year	<b>138,519</b>	(598,962)
Foreign exchange translation reserve	<b>3,284</b>	(30,302)
<b>Net addition/(reduction) to shareholders' funds</b>	<b>141,803</b>	(629,264)
Opening shareholders' funds	<b>3,206,848</b>	3,836,112
<b>Closing shareholders' funds</b>	<b>3,348,651</b>	3,206,848

**Company**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<b>(691)</b>	-
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(691)</b>	-
Opening shareholders' funds	<b>5,520,000</b>	5,520,000
<b>Closing shareholders' funds</b>	<b>5,519,309</b>	5,520,000