

REGISTERED NUMBER: 07097156 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
FOR
2 HEADS GLOBAL HOLDINGS LIMITED**

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FOR THE YEAR ENDED 31 JULY 2016**

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2 HEADS GLOBAL HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2016**

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 2016**

The director presents his strategic report of the company and the group for the year ended 31 July 2016.

REVIEW OF BUSINESS

The Group has had another successful year following the recruitment of new people, adding new revenue streams and building on the new opportunities identified.

The Group's turnover for the year ended 31 July 2016 increased by 26.0% (2015 - increased by 18.5%) and the Group's gross margin increased by 28.5% (2015 - 11.2%). The increase in gross profit is in part down to the movement in the US dollar exchange rate in favour of the Group.

There continues to be strong competition in the market sector in which the company operates, however, the Group continues to invest in its infrastructure and its senior management team following the office move to larger premises in 2014.

The profit for the year attributable to the Group, after taxation, amounted to £698,418 (2015 - £138,519).

The Group measures both financial and non-financial key performance indicators (KPIs) to monitor its performance. The key financial KPIs include:

	£	£
Gross profit	4,882,856	3,798,335
Gross profit percentage	29.6%	29.0%
Operating profit	1,142,534	325,204
Operating profit percentage	6.9%	2.5%
Net current assets	2,297,478	1,402,330

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Group include the uncertain global economic climate which is can potentially affect customers. The director and senior management team monitor and review the performance of the Group using forecasting as part of their risk management policy.

The Group's activities expose it to several financial risks including cashflow risk and credit risk.

The Group's activities expose it to the financial risk of changes in foreign currency exchange rates, and this is primarily the main cashflow risk. The Group does not currently manage this risk using financial instruments following a cost versus benefit exercise, but continues to monitor its exposure in this area.

The Group's main financial assets are cash and trade receivables, and amounts owed by related undertakings. Therefore the Group's main credit risk is attributable to its trade receivables and amounts owed by related undertakings. These amounts are stated in the balance sheet at the net realisable value and no provisions or impairment were required in this or the previous financial year. An impairment would be made where there is an identified loss event which had an effect on the recoverability of the asset.

The Group has no significant credit risk exposure as the balance is spread over a large number of customers.

ON BEHALF OF THE BOARD:



P Parra - Director

31 March 2017

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 JULY 2016**

The director presents his report with the financial statements of the company and the group for the year ended 31 July 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2016.

FUTURE DEVELOPMENTS

The director and senior management team continue to monitor any material effect as a result of the vote to leave the EU taken in June 2016 ("Brexit"), but do not foresee any material effect as a result of the steps being to Brexit.

The director expects the level of activity of the company to continue and is looking to invest further in building the senior team with strategic hires. The company will also continue to develop its inhouse IT solutions for customers which provide invaluable key analytics to aid customer is their business development strategies.

DIRECTOR

P Parra held office during the whole of the period from 1 August 2015 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 Group Strategic Report, 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

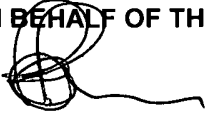
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information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

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 JULY 2016**

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:

A handwritten signature in black ink, appearing to be 'P Parra', with a circular flourish at the end.

P Parra - Director

31 March 2017

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

We have audited the financial statements of 2 Heads Global Holdings Limited for the year ended 31 July 2016 on pages seven to thirty 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 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

31 March 2017

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2016**

	Notes	2016 £	2015 £
TURNOVER	3	16,491,359	13,090,445
Cost of sales		11,608,503	9,292,110
GROSS PROFIT		4,882,856	3,798,335
Administrative expenses		3,783,813	3,473,131
		1,099,043	325,204
Other operating income		43,491	-
OPERATING PROFIT	5	1,142,534	325,204
Interest receivable and similar income	6	2,332	1,090
		1,144,866	326,294
Interest payable and similar charges	7	11,110	15,787
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,133,756	310,507
Tax on profit on ordinary activities	8	358,976	141,110
PROFIT FOR THE FINANCIAL YEAR		774,780	169,397
Profit attributable to:			
Owners of the parent		698,418	136,167
Minority interests		76,362	33,230
		774,780	169,397

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016**

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		774,780	169,397
OTHER COMPREHENSIVE INCOME			
Purchase of own shares		(160,519)	-
Foreign exchange on consolidation		19,844	3,284
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(140,675)	3,284
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		634,105	172,681
Total comprehensive income attributable to:			
Owners of the parent		538,564	136,296
Non-controlling interests		95,541	36,385
		634,105	172,681

The notes form part of these financial statements

2 HEADS GLOBAL HOLDINGS LIMITED (REGISTERED NUMBER: 07097156)

**CONSOLIDATED BALANCE SHEET
31 JULY 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	10	1,567,070	1,955,668
Tangible assets	11	238,971	267,250
Investments	12	-	-
		<u>1,806,041</u>	<u>2,222,918</u>
CURRENT ASSETS			
Stocks	13	254,619	118,291
Debtors	14	3,273,280	2,017,937
Cash at bank and in hand		3,057,936	1,517,108
		<u>6,585,835</u>	<u>3,653,336</u>
CREDITORS			
Amounts falling due within one year	15	4,288,357	2,251,006
NET CURRENT ASSETS		<u>2,297,478</u>	<u>1,402,330</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,103,519</u>	<u>3,625,248</u>
CREDITORS			
Amounts falling due after more than one year	16	(42,220)	(212,615)
PROVISIONS FOR LIABILITIES	19	(28,231)	(25,347)
MINORITY INTERESTS	20	(147,049)	(51,508)
NET ASSETS		<u><u>3,886,019</u></u>	<u><u>3,335,778</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	42,528	50,030
Share premium	22	2,969,970	2,969,970
Capital redemption reserve	22	7,501	-
Other reserves	22	(12,356)	(32,200)
Retained earnings	22	878,376	347,978
SHAREHOLDERS' FUNDS		<u><u>3,886,019</u></u>	<u><u>3,335,778</u></u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET - continued
31 JULY 2016

The financial statements were approved and authorised for issue by the director on 31 March 2017 and were signed by:

A handwritten signature in black ink, appearing to be 'P Parra', with a stylized, cursive script.

P Parra - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 JULY 2016

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		5,500,000		5,500,000
			<u>5,500,000</u>		<u>5,500,000</u>
CURRENT ASSETS					
Debtors	14	20,000		20,000	
CREDITORS					
Amounts falling due within one year	15	<u>-</u>		<u>691</u>	
NET CURRENT ASSETS			<u>20,000</u>		<u>19,309</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,520,000</u>		<u>5,519,309</u>
CAPITAL AND RESERVES					
Called up share capital	21		42,528		50,030
Share premium	22		2,969,970		2,969,970
Capital redemption reserve	22		7,501		-
Retained earnings	22		<u>2,500,001</u>		<u>2,499,309</u>
SHAREHOLDERS' FUNDS			<u>5,520,000</u>		<u>5,519,309</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued
31 JULY 2016

The financial statements were approved and authorised for issue by the director on 31 March 2017 and were signed by:

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a series of loops and a trailing line.

P Parra - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £
Balance at 1 August 2014	50,030	211,811	2,969,970	-
Changes in equity				
Total comprehensive income	-	136,167	-	-
Balance at 31 July 2015	50,030	347,978	2,969,970	-
Changes in equity				
Issue of share capital	(7,502)	-	-	-
Total comprehensive income	-	530,398	-	7,501
Balance at 31 July 2016	42,528	878,376	2,969,970	7,501
	Other reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 August 2014	(35,484)	3,196,327	15,123	3,211,450
Changes in equity				
Total comprehensive income	3,284	139,451	36,385	175,836
Balance at 31 July 2015	(32,200)	3,335,778	51,508	3,387,286
Changes in equity				
Issue of share capital	-	(7,502)	-	(7,502)
Total comprehensive income	19,844	557,743	95,541	653,284
Balance at 31 July 2016	(12,356)	3,886,019	147,049	4,033,068

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	2,006,440	1,178,020
Interest paid		(7,422)	(10,435)
Interest element of hire purchase payments paid		(3,688)	(5,352)
Tax paid		(153,516)	(317,713)
Net cash from operating activities		<u>1,841,814</u>	<u>844,520</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(105,364)	(118,586)
Sale of tangible fixed assets		18,375	36,975
Interest received		2,332	1,090
Net cash from investing activities		<u>(84,657)</u>	<u>(80,521)</u>
Cash flows from financing activities			
Capital repayments in year		(8,827)	(35,360)
Amount withdrawn by directors		(200,000)	(32,851)
Share issue		(7,502)	-
Net cash from financing activities		<u>(216,329)</u>	<u>(68,211)</u>
Increase in cash and cash equivalents		<u>1,540,828</u>	<u>695,788</u>
Cash and cash equivalents at beginning of year	2	<u>1,517,108</u>	<u>821,320</u>
Cash and cash equivalents at end of year	2	<u><u>3,057,936</u></u>	<u><u>1,517,108</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	1,133,756	310,507
Depreciation charges	509,528	490,027
Profit on disposal of fixed assets	(3,546)	(26,000)
Foreign exchange on consolidation	16,343	2,729
Finance costs	11,110	15,787
Finance income	(2,332)	(1,090)
	1,664,859	791,960
Increase in stocks	(136,328)	(37,779)
Increase in trade and other debtors	(1,253,958)	(111,078)
Increase in trade and other creditors	1,731,867	534,917
Cash generated from operations	2,006,440	1,178,020

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2016

	31.7.16	1.8.15
	£	£
Cash and cash equivalents	3,057,936	1,517,108

Year ended 31 July 2015

	31.7.15	1.8.14
	£	£
Cash and cash equivalents	1,517,108	821,320

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. GENERAL INFORMATION

2 Heads Global Holdings Limited ("the company") and its subsidiaries (together "the Group") designs and supplies exhibition stands and related products. The Group sells primarily to the UK, Europe and USA.

The company is a private company limited by shares and is incorporated in England. The company's registered number and registered office address can be found on the company information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where the control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, excluding Value Added Tax (VAT), rebates allowed by the company and trade discounts.

The Group recognises revenue by reference to the stage of completion and as detailed below:

i. Sale of services

The Group designs and supplies exhibition stands for events. Revenue is recognised once the event has taken place.

ii. Rental income

The Group earns rental income from the subletting of its leased property. Rental income is recognised in the period to which it relates.

iii. Interest income

Interest income is recognised when the right to receive payment is established.

iv. Dividend income

Dividend income is recognised when the right to receive payment is established.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be reliably measured. Where (i) the contingent consideration is not considered probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

2. ACCOUNTING POLICIES - continued

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% straight line

Plant and machinery etc - 20% and 33.3% straight line

Work in progress

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.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. 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 2016

2. ACCOUNTING POLICIES - continued

Foreign currencies

The Group financial statements are presented in pound sterling and rounded to the nearest pound.

i. 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.

ii. 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

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the agreement.

i. Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used.

The capital element of lease obligations is recorded as a liability on inception of the agreement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

ii. Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

iii. Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight line basis over the period of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

2. ACCOUNTING POLICIES - continued

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements and defined contribution pension plans.

i. Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

ii. Defined contribution pension plans

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

iii. Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss accounts when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

2. ACCOUNTING POLICIES - continued

Financial instruments

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price.

At the end of the reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 20163. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	5,332,475	2,992,346
Europe	3,233,337	6,872,927
USA and South America	7,720,692	2,855,176
Asia and ROW	136,984	369,996
Middle East	67,871	-
	<u>16,491,359</u>	<u>13,090,445</u>

4. **STAFF COSTS**

	2016 £	2015 £
Wages and salaries	2,091,327	1,753,028
Social security costs	228,892	198,398
Other pension costs	80,000	-
	<u>2,400,219</u>	<u>1,951,426</u>

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

	2016	2015
Sales	3	3
Design & project management	27	25
Warehouse	3	3
Administrative	6	5
	<u>39</u>	<u>36</u>

5. **OPERATING PROFIT**

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

	2016 £	2015 £
Hire of plant and machinery	72,403	42,385
Other operating leases	428,116	316,950
Operating lease income	(43,491)	-
Depreciation - owned assets	96,888	70,278
Depreciation - assets on hire purchase contracts	24,042	31,151
Profit on disposal of fixed assets	(3,546)	(26,000)
Goodwill amortisation	388,598	388,598
Auditors' remuneration	11,000	11,000
Other non-audit services	2,426	2,564
Foreign exchange differences	<u>(148,852)</u>	<u>(3,649)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

5. OPERATING PROFIT - continued

Director's remuneration	<u>50,000</u>	<u>41,667</u>
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6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Deposit account interest	<u>2,332</u>	<u>1,090</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest	67	143
Other interest payable	7,355	10,292
Hire purchase	3,688	5,352
	<u>11,110</u>	<u>15,787</u>

8. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	361,552	139,801
(Overprovision) / Underprovision in prior year	(5,460)	-
Total current tax	<u>356,092</u>	<u>139,801</u>
Deferred tax	2,884	1,309
Tax on profit on ordinary activities	<u>358,976</u>	<u>141,110</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,133,756</u>	<u>310,507</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.670%)	226,751	64,182
Effects of:		
Expenses not deductible for tax purposes	5,953	108
Capital allowances in excess of depreciation	(500)	(10,743)
Amortisation charge on consolidation	77,720	80,323
Difference in US tax rates	54,720	5,450
Adjustment on transition to FRS 102	(3,218)	608
Overprovision in prior year	(5,334)	-
Sundry differences due to effective rate not actual	-	(127)
Deferred tax movement	2,884	1,309
Total tax charge	<u>358,976</u>	<u>141,110</u>

Tax effects relating to effects of other comprehensive income

	2016 Gross £	2016 Tax £	Net £
Purchase of own shares	(160,519)	-	(160,519)
Foreign exchange on consolidation	19,844	-	19,844
	<u>(140,675)</u>	<u>-</u>	<u>(140,675)</u>
	2015 Gross £	2015 Tax £	Net £
Foreign exchange on consolidation	3,284	-	3,284
	<u>3,284</u>	<u>-</u>	<u>3,284</u>

9. PROFIT 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 profit for the financial year was £168,712 (2015 - £(691) loss).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 August 2015 and 31 July 2016	3,885,979
AMORTISATION	
At 1 August 2015	1,930,311
Amortisation for year	388,598
At 31 July 2016	2,318,909
NET BOOK VALUE	
At 31 July 2016	1,567,070
At 31 July 2015	1,955,668

11. TANGIBLE FIXED ASSETS

Group	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 August 2015	173,984	118,886	271,228	-	564,098
Additions	29,864	34,526	35,399	5,575	105,364
Disposals	(41,592)	-	(99,043)	-	(140,635)
Exchange differences	2,222	-	2,158	-	4,380
Reclassification/transfer	-	-	(2)	-	(2)
At 31 July 2016	164,478	153,412	209,740	5,575	533,205
DEPRECIATION					
At 1 August 2015	98,809	22,812	175,227	-	296,848
Charge for year	39,099	36,651	40,211	4,969	120,930
Eliminated on disposal	(39,055)	-	(86,753)	-	(125,808)
Exchange differences	(735)	-	2,393	606	2,264
At 31 July 2016	98,118	59,463	131,078	5,575	294,234
NET BOOK VALUE					
At 31 July 2016	66,360	93,949	78,662	-	238,971
At 31 July 2015	75,175	96,074	96,001	-	267,250

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

11. TANGIBLE FIXED ASSETS - continued

Group

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

	Motor vehicles £
COST	
At 1 August 2015	117,298
Additions	35,399
Disposals	(28,403)
Transfer to ownership	(14,250)
	<u>110,044</u>
At 31 July 2016	110,044
DEPRECIATION	
At 1 August 2015	47,398
Charge for year	24,042
Eliminated on disposal	(20,828)
Transfer to ownership	(8,550)
	<u>42,062</u>
At 31 July 2016	42,062
NET BOOK VALUE	
At 31 July 2016	<u>67,982</u>
At 31 July 2015	<u>69,900</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 August 2015 and 31 July 2016	5,500,000
NET BOOK VALUE	
At 31 July 2016	<u>5,500,000</u>
At 31 July 2015	<u>5,500,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

12. FIXED ASSET INVESTMENTS - continued

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

All of the above subsidiaries are included in the consolidation. The company's investment in 2 Heads Global Design limited is direct ownership, all other investments are indirect ownership.

13. STOCKS

	Group
	2016 £
	2015 £
Work-in-progress	254,619
	118,291

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company
	2016 £	2015 £	2016 £
	2015 £		2015 £
Trade debtors	2,558,429	1,118,748	-
Other debtors	395,626	517,091	-
Directors' current accounts	9,076	7,691	-
VAT	65,175	49,967	-
Called up share capital not paid	20,000	20,000	20,000
Prepayments and accrued income	224,974	304,440	-
	3,273,280	2,017,937	20,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Hire purchase contracts (see note 17)	19,337	32,914	-	-
Trade creditors	748,723	1,057,170	-	-
Amounts owed to group undertakings	-	-	-	691
Tax	321,172	118,596	-	-
Social security and other taxes	60,839	65,388	-	-
Other creditors	72,129	1,451	-	-
Accruals and deferred income	2,414,056	694,133	-	-
Accrued expenses	652,101	281,354	-	-
	<u>4,288,357</u>	<u>2,251,006</u>	<u>-</u>	<u>691</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2016	2015
	£	£
Hire purchase contracts (see note 17)	24,087	12,615
Other creditors	18,133	-
Directors' loan accounts	-	200,000
	<u>42,220</u>	<u>212,615</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	19,337	32,914
Between one and five years	24,087	12,615
	<u>43,424</u>	<u>45,529</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

17. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	356	7,112
Between one and five years	171,487	244,790
In more than five years	2,429,503	2,626,490
	<u>2,601,346</u>	<u>2,878,392</u>

The future minimum lease receipts under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Within one year	-	-
Between one and five years	261,937	-
In more than five years	-	-
	<u>261,937</u>	<u>-</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2016	2015
	£	£
Hire purchase contracts	<u>43,424</u>	<u>-</u>

Obligations under hire purchase leases are secured on the assets to which they relate.

19. PROVISIONS FOR LIABILITIES

	Group	
	2016	2015
	£	£
Deferred tax	<u>28,231</u>	<u>25,347</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

19. PROVISIONS FOR LIABILITIES - continued

Group	Deferred tax £
Balance at 1 August 2015	
As previously reported	28,566
Prior year adjustment	(3,219)
As restated	25,347
Provided during year	2,884
Balance at 31 July 2016	28,231

20. MINORITY INTERESTS

	Minority interests £
At beginning of the year	51,508
Profit/(loss) for the year	76,362
Foreign exchange movement	19,179
At end of the year	147,049

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.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
42,500	Ordinary	£1	42,500	50,000
(2015 - 50,000)				
Allotted and issued:				
Number:	Class:	Nominal value:	2016 £	2015 £
2,836,524	Share capital 2	£0.00001	28	30
(2015 - 2,970,000)				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

22. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Other reserves £	Totals £
At 1 August 2015	347,978	2,969,970	-	(32,200)	3,285,748
Profit for the year	698,418				698,418
Purchase of own shares	(168,020)	-	7,501	-	(160,519)
Movement during the year	-	-	-	19,844	19,844
At 31 July 2016	<u>878,376</u>	<u>2,969,970</u>	<u>7,501</u>	<u>(12,356)</u>	<u>3,843,491</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 August 2015	2,499,309	2,969,970	-	5,469,279
Profit for the year	168,712			168,712
Purchase of own shares	(168,020)	-	7,501	(160,519)
At 31 July 2016	<u>2,500,001</u>	<u>2,969,970</u>	<u>7,501</u>	<u>5,477,472</u>

23. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 July 2016 and 31 July 2015:

	2016 £	2015 £
P Parra		
Balance outstanding at start of year	7,691	-
Amounts advanced	1,385	7,691
Amounts repaid	-	-
Balance outstanding at end of year	<u>9,076</u>	<u>7,691</u>

No interest has been charged on the above loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

24. 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, £nil 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.

	2016 £	2015 £
Amount due to related party at the balance sheet date	-	200,000

2Heads FZ-LLC

A company which is owned by Mr P Parra.

	2016 £	2015 £
Amounts written off during the year	-	46,073

PLD Limited

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

Received a loan from group members during the year. Interest is accruing on this balance at X% over the base rate of the National Westminster Bank plc.

PLD Limited also charged group members £261,235 for rent, £41,819 for service charges, £28,761 for rates, £1,349 for electricity and £59,997 for consultancy during the year.

	2016 £	2015 £
Amount due from related party at the balance sheet date	350,000	490,708

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016

25. **TRANSITION TO FRS 102**

This is the first year that the Group has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 July 2015. The date of transition to FRS 102 was 1 August 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 July 2015 and the total equity as at 1 August 2014 and 31 July 2015 between UK GAAP as previously reported and FRS 102.

Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the Group recognising a liability for holiday pay of £13,151 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 July 2015 an additional charge of £2,941 was recognised in the profit and loss account and the liability at 31 July 2015 was £16,092.

Deferred taxation

The Group has accounted for deferred taxation on transition as follows:

Holiday pay accrual - Deferred tax of £2,630 has been recognised at 20% on the liability recognised on transition at 1 August 2014. In the year ended 31 July 2015 the Group has recognised a charge of £588 in the profit and loss account in respect of the increase of the holiday pay accrual.

RECONCILIATION OF EQUITY

1 AUGUST 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets	8	2,344,266	-	2,344,266
Tangible assets	9	260,513	-	260,513
		<u>2,604,779</u>	<u>-</u>	<u>2,604,779</u>
CURRENT ASSETS				
Stocks	11	80,512	-	80,512
Debtors	12	1,899,168	-	1,899,168
Cash at bank and in hand		821,320	-	821,320
		<u>2,801,000</u>	<u>-</u>	<u>2,801,000</u>
CREDITORS				
Amounts falling due within one year	13	(1,911,384)	(13,151)	(1,924,535)
NET CURRENT ASSETS		<u>889,616</u>	<u>(13,151)</u>	<u>876,465</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,494,395</u>	<u>(13,151)</u>	<u>3,481,244</u>
CREDITORS				
Amounts falling due after more than one year	14	(245,755)	-	(245,755)
PROVISIONS FOR LIABILITIES	16	(26,669)	2,630	(24,039)
MINORITY INTERESTS	17	(15,123)	-	(15,123)
NET ASSETS		<u>3,206,848</u>	<u>(10,521)</u>	<u>3,196,327</u>
CAPITAL AND RESERVES				
Called up share capital	18	50,030	-	50,030
Share premium	19	2,969,970	-	2,969,970
Other reserves	19	(35,484)	-	(35,484)
Retained earnings	19	222,332	(10,521)	211,811
SHAREHOLDERS' FUNDS		<u>3,206,848</u>	<u>(10,521)</u>	<u>3,196,327</u>

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 JULY 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets	8	1,955,668	-	1,955,668
Tangible assets	9	267,250	-	267,250
		<u>2,222,918</u>	<u>-</u>	<u>2,222,918</u>
CURRENT ASSETS				
Stocks	11	118,291	-	118,291
Debtors	12	2,017,937	-	2,017,937
Cash at bank and in hand		1,517,108	-	1,517,108
		<u>3,653,336</u>	<u>-</u>	<u>3,653,336</u>
CREDITORS				
Amounts falling due within one year	13	(2,234,914)	(16,092)	(2,251,006)
NET CURRENT ASSETS		<u>1,418,422</u>	<u>(16,092)</u>	<u>1,402,330</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,641,340</u>	<u>(16,092)</u>	<u>3,625,248</u>
CREDITORS				
Amounts falling due after more than one year	14	(212,615)	-	(212,615)
PROVISIONS FOR LIABILITIES	16	(28,566)	3,219	(25,347)
MINORITY INTERESTS	17	(51,508)	-	(51,508)
NET ASSETS		<u>3,348,651</u>	<u>(12,873)</u>	<u>3,335,778</u>
CAPITAL AND RESERVES				
Called up share capital	18	50,030	-	50,030
Share premium	19	2,969,970	-	2,969,970
Other reserves	19	(32,200)	-	(32,200)
Retained earnings	19	360,851	(12,873)	347,978
SHAREHOLDERS' FUNDS		<u>3,348,651</u>	<u>(12,873)</u>	<u>3,335,778</u>

The notes form part of these financial statements

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 JULY 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	13,090,445	-	13,090,445
Cost of sales	(9,292,110)	-	(9,292,110)
GROSS PROFIT	3,798,335	-	3,798,335
Administrative expenses	(3,470,191)	(2,940)	(3,473,131)
OPERATING PROFIT	328,144	(2,940)	325,204
Interest receivable and similar income	1,090	-	1,090
Interest payable and similar charges	(15,787)	-	(15,787)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	313,447	(2,940)	310,507
Tax on profit on ordinary activities	(141,698)	588	(141,110)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	171,749	(2,352)	169,397
Minority interest - equity	(33,230)		
PROFIT FOR THE FINANCIAL YEAR	138,519	(2,352)	169,397
Profit attributable to:			
Owners of the parent			136,167
Minority interests			33,230
			169,397

The notes form part of these financial statements