

REGISTERED NUMBER: 07719633 (England and Wales)

Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 December 2017
for
Unispace Global Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2017

	Page
Group Strategic Report	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Company Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Statement of Cash Flows	12
Notes to the Consolidated Financial Statements	13

Group Strategic Report
for the Year Ended 31 December 2017

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

REVIEW OF BUSINESS

The directors are delighted to report a successful period for the group in which new subsidiaries have been incorporated in the Netherlands, Spain and Denmark. This is in addition to the existing presence in the UK, Ireland, France, Germany and Switzerland. Post year end, an Italian subsidiary has been added to the group.

The group has generated £59,074,868 (2016: £47,355,969) of turnover due to excellent products and customer service. The group has generated £12,901,887 (2016: £6,185,399) of profits before tax to give satisfactory results.

At the period end the group had shareholders' funds of £13,735,743 (2016: £8,807,526) including distributable profits of £13,485,743 (2016: £8,557,526). The directors therefore believe the group's position to be satisfactory, especially as the group's current assets exceed its current liabilities by £13,231,338 (2016: £8,396,512).

The directors believe that there is a strong foundation to build the business further and improve on the current period's results.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the main risk facing the group as being increased competition from other national and international companies. These companies are able to provide similar services to those offered by the group at competitive prices, which could lead to decreasing margins. The directors believe that the quality of our products and customer service will help mitigate these risks and hope to see satisfactory trading results in the coming year.

Another key risk facing the group is the continuing economic uncertainty within the United Kingdom. The directors believe that there are sufficient systems and controls in place which allow for the group to react appropriately to any changes in the economic environment, whether positive or negative, and the directors hope to see satisfactory trading results in the coming year.

ON BEHALF OF THE BOARD:

Mr A G Hazell - Director

11 January 2019

Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of business and commercial interior design. This is the activity of all members of the group.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2017 was £5,000,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr A G Hazell
Mr S Parsons
Mr D Woodcock

POST BALANCE SHEET EVENTS

In December 2018, the group acquired the share capital of Italian company Unispace Global Srl.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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 directors are 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 each director 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 Directors
for the Year Ended 31 December 2017

AUDITORS

Drummond Laurie CA are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Mr A G Hazell - Director

11 January 2019

Opinion

We have audited the financial statements of Unispace Global Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

Ian Bilsland (Senior Statutory Auditor)
for and on behalf of Drummond Laurie CA
Statutory Auditor
Unit 5
Gateway Business Park
Beancross Road
Grangemouth
FK3 8WX

15 January 2019

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2017

	Notes	31.12.17 £	31.12.16 £
TURNOVER	3	59,074,868	47,355,969
Cost of sales		<u>(35,251,600)</u>	<u>(33,102,145)</u>
GROSS PROFIT		23,823,268	14,253,824
Administrative expenses		<u>(11,063,678)</u>	<u>(8,125,039)</u>
OPERATING PROFIT	5	12,759,590	6,128,785
Interest receivable and similar income		<u>142,297</u>	<u>56,614</u>
PROFIT BEFORE TAXATION		12,901,887	6,185,399
Tax on profit	6	<u>(2,973,670)</u>	<u>(1,344,666)</u>
PROFIT FOR THE FINANCIAL YEAR		9,928,217	4,840,733
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>9,928,217</u>	<u>4,840,733</u>
FOR THE YEAR			
Profit attributable to: Owners of the parent		<u>9,928,217</u>	<u>4,840,733</u>
Total comprehensive income attributable to: Owners of the parent		<u>9,928,217</u>	<u>4,840,733</u>

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 December 2017

	Notes	31.12.17 £	31.12.16 £
FIXED ASSETS			
Tangible assets	9	556,606	450,879
Investments	10	-	-
		<u>556,606</u>	<u>450,879</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	18,022,931	5,631,528
Debtors: amounts falling due after more than one year	11	-	5,038,305
Cash at bank		<u>12,636,735</u>	<u>7,855,666</u>
		30,659,666	18,525,499
CREDITORS			
Amounts falling due within one year	12	<u>(17,428,328)</u>	<u>(10,128,987)</u>
NET CURRENT ASSETS		<u>13,231,338</u>	<u>8,396,512</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,787,944	8,847,391
CREDITORS			
Amounts falling due after more than one year	13	(2,342)	-
PROVISIONS FOR LIABILITIES	16	<u>(49,859)</u>	<u>(39,865)</u>
NET ASSETS		<u>13,735,743</u>	<u>8,807,526</u>
CAPITAL AND RESERVES			
Called up share capital	17	250,000	250,000
Retained earnings	18	<u>13,485,743</u>	<u>8,557,526</u>
SHAREHOLDERS' FUNDS		<u>13,735,743</u>	<u>8,807,526</u>

The financial statements were approved by the Board of Directors on 11 January 2019 and were signed on its behalf by:

Mr A G Hazell - Director

Company Statement of Financial Position
31 December 2017

	Notes	31.12.17 £	31.12.16 £
FIXED ASSETS			
Tangible assets	9	323,780	284,294
Investments	10	<u>121,761</u>	<u>112,818</u>
		<u>445,541</u>	<u>397,112</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	15,474,096	8,082,511
Debtors: amounts falling due after more than one year	11	-	4,309,778
Cash at bank		<u>4,551,303</u>	<u>3,686,793</u>
		<u>20,025,399</u>	<u>16,079,082</u>
CREDITORS			
Amounts falling due within one year	12	<u>(11,975,688)</u>	<u>(7,768,523)</u>
NET CURRENT ASSETS		<u>8,049,711</u>	<u>8,310,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,495,252	8,707,671
CREDITORS			
Amounts falling due after more than one year	13	(2,342)	-
PROVISIONS FOR LIABILITIES	16	<u>(49,859)</u>	<u>(39,865)</u>
NET ASSETS		<u>8,443,051</u>	<u>8,667,806</u>
CAPITAL AND RESERVES			
Called up share capital	17	250,000	250,000
Retained earnings	18	<u>8,193,051</u>	<u>8,417,806</u>
SHAREHOLDERS' FUNDS		<u>8,443,051</u>	<u>8,667,806</u>
Company's profit for the financial year		<u>4,775,245</u>	<u>4,943,804</u>

The financial statements were approved by the Board of Directors on 11 January 2019 and were signed on its behalf by:

Mr A G Hazell - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	250,000	3,731,793	3,981,793
Changes in equity			
Dividends	-	(15,000)	(15,000)
Total comprehensive income	-	4,840,733	4,840,733
Balance at 31 December 2016	<u>250,000</u>	<u>8,557,526</u>	<u>8,807,526</u>
Changes in equity			
Dividends	-	(5,000,000)	(5,000,000)
Total comprehensive income	-	9,928,217	9,928,217
Balance at 31 December 2017	<u>250,000</u>	<u>13,485,743</u>	<u>13,735,743</u>

Company Statement of Changes in Equity
for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	250,000	3,489,002	3,739,002
Changes in equity			
Dividends	-	(15,000)	(15,000)
Total comprehensive income	-	4,943,804	4,943,804
Balance at 31 December 2016	250,000	8,417,806	8,667,806
Changes in equity			
Dividends	-	(5,000,000)	(5,000,000)
Total comprehensive income	-	4,775,245	4,775,245
Balance at 31 December 2017	250,000	8,193,051	8,443,051

Consolidated Statement of Cash Flows
for the Year Ended 31 December 2017

	Notes	31.12.17 £	31.12.16 £
Cash flows from operating activities			
Cash generated from operations	1	11,859,581	1,695,925
Tax paid		<u>(1,510,085)</u>	<u>(1,122,334)</u>
Net cash from operating activities		<u>10,349,496</u>	<u>573,591</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(291,338)	(312,189)
Interest received		<u>142,297</u>	<u>56,614</u>
Net cash from investing activities		<u>(149,041)</u>	<u>(255,575)</u>
Cash flows from financing activities			
Capital repayments in year		(14,636)	-
Amount withdrawn by directors		(404,750)	(119,781)
Equity dividends paid		<u>(5,000,000)</u>	<u>(15,000)</u>
Net cash from financing activities		<u>(5,419,386)</u>	<u>(134,781)</u>
Increase in cash and cash equivalents		<u>4,781,069</u>	<u>183,235</u>
Cash and cash equivalents at beginning of year	2	7,855,666	7,672,431
Cash and cash equivalents at end of year	2	<u>12,636,735</u>	<u>7,855,666</u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 December 2017

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

	31.12.17	31.12.16
	£	£
Profit before taxation	12,901,887	6,185,399
Depreciation charges	209,614	106,286
Finance income	(142,297)	(56,614)
	<u>12,969,204</u>	<u>6,235,071</u>
Increase in trade and other debtors	(6,816,804)	(5,651,359)
Increase in trade and other creditors	5,707,181	1,112,213
Cash generated from operations	<u>11,859,581</u>	<u>1,695,925</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>12,636,735</u>	<u>7,855,666</u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>7,855,666</u>	<u>7,672,431</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2017

1. **STATUTORY INFORMATION**

Unispace Global Limited is a private company, limited by shares, domiciled in England, registration number 07719633. The registered office is Duke House, 6-12 Tabard Street, London, SE1 4JU.

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 consolidated accounts are prepared in accordance with the group's accounting principles and include the accounts of the parent company and all subsidiaries. Subsidiaries are consolidated from the date the group exercises control or influence over the company. Divested companies are included in the consolidated accounts until the date the group ceases to control or exercise influence over them. In preparing the consolidated financial statements any intra-group transactions have been eliminated. Foreign subsidiaries are translated using the current rate for the assets and liabilities and the average rate for turnover and expenses.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

The preparation of financial statements require the group's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The group did not have any critical judgements or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Notwithstanding this, as the group's activities are undertaken through long term construction contracts, the company is required to make estimates in accounting for turnover and margin. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. Further detail is provided in the turnover accounting policy.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents net invoiced sales of goods and services in respect of interior design, excluding value added tax.

Turnover comprises the fair value of interior design construction carried out in the year, based on an internal assessment of work carried out. Once the outcome of a construction contract can be estimated reliably, profit is recognised in the statement of comprehensive income on a stage of contract completion basis by reference to either costs incurred to date and total forecast costs on the contract as a whole or certified value.

Losses expected in bringing a contract to completion are recognised immediately in the statement of comprehensive income as soon as they are forecast. Where the outcome of variations is uncertain, the company only recognises turnover and associated profit where it is probable that the client will approve the variation. Where the outcome of claims is uncertain, the group only recognises revenue when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

Amounts due from construction contract customers which are included within debtors, represent turnover less progress payments received. Where progress payments exceed turnover and other contract balances, the excess is shown as amounts due to construction contract customers within current liabilities.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold Improvements	- 33% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on reducing balance
Office equipment	- 33% on cost

Tangible fixed assets are stated at cost less depreciation. Cost represent purchase price together with any incidental costs of acquisition.

The directors have considered the residual value of all tangible fixed assets to be immaterial and therefore all tangible fixed assets are depreciated to nil value.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are immediately recognised in the profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less. In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are discounted where the time value of money is material.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

3. 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:

	31.12.17	31.12.16
	£	£
United Kingdom	17,581,659	24,769,947
Europe	41,493,209	22,586,022
	<u>59,074,868</u>	<u>47,355,969</u>

4. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	6,916,353	4,641,177
Social security costs	763,563	552,459
Other pension costs	22,173	10,472
	<u>7,702,089</u>	<u>5,204,108</u>

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

	31.12.17	31.12.16
Employees	<u>134</u>	<u>76</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 46 (2016 - 9) .

	31.12.17	31.12.16
	£	£
Directors' remuneration	<u>588,999</u>	<u>723,369</u>

Information regarding the highest paid director is as follows:

	31.12.17	31.12.16
	£	£
Emoluments etc	<u>132,186</u>	<u>390,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

5. OPERATING PROFIT

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

	31.12.17	31.12.16
	£	£
Other operating leases	568,457	482,677
Depreciation - owned assets	203,613	106,286
Depreciation - assets on hire purchase contracts	6,001	-
Auditors' remuneration	35,452	15,000
Other non- audit services	37,490	31,980
Foreign exchange differences	<u>(58,652)</u>	<u>(590,583)</u>

6. TAXATION

Analysis of the tax charge

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

	31.12.17	31.12.16
	£	£
Current tax:		
UK corporation tax	1,231,083	1,267,012
Under/overprovision	100,000	(19,260)
European tax	<u>1,632,593</u>	<u>81,205</u>
Total current tax	2,963,676	1,328,957
Deferred tax	9,994	15,709
Tax on profit	<u>2,973,670</u>	<u>1,344,666</u>

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:

	31.12.17	31.12.16
	£	£
Profit before tax	<u>12,901,887</u>	<u>6,185,399</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.247 % (2016 - 20 %)	2,483,226	1,237,080
Effects of:		
Expenses not deductible for tax purposes	58,030	35,053
Capital allowances in excess of depreciation	-	(9,494)
Depreciation in excess of capital allowances	8,255	-
Adjustments to tax charge in respect of previous periods	100,000	(19,260)
Tax chargeable at higher rates outwith UK	314,165	85,578
Deferred tax movement	<u>9,994</u>	<u>15,709</u>
Total tax charge	<u>2,973,670</u>	<u>1,344,666</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

7. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. **DIVIDENDS**

	31.12.17 £	31.12.16 £
Ordinary shares shares of £1 each		
Final	<u>5,000,000</u>	<u>15,000</u>

9. **TANGIBLE FIXED ASSETS**

Group

	Leasehold Improvements £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 January 2017	310,764	295,787	24,136	249,496	880,183
Additions	-	136,547	24,003	154,791	315,341
At 31 December 2017	<u>310,764</u>	<u>432,334</u>	<u>48,139</u>	<u>404,287</u>	<u>1,195,524</u>
DEPRECIATION					
At 1 January 2017	238,253	57,506	19,163	114,382	429,304
Charge for year	<u>72,511</u>	<u>72,099</u>	<u>7,245</u>	<u>57,759</u>	<u>209,614</u>
At 31 December 2017	<u>310,764</u>	<u>129,605</u>	<u>26,408</u>	<u>172,141</u>	<u>638,918</u>
NET BOOK VALUE					
At 31 December 2017	<u>-</u>	<u>302,729</u>	<u>21,731</u>	<u>232,146</u>	<u>556,606</u>
At 31 December 2016	<u>72,511</u>	<u>238,281</u>	<u>4,973</u>	<u>135,114</u>	<u>450,879</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

9. **TANGIBLE FIXED ASSETS - continued**

Group

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

	Motor vehicles £
COST	
Additions	24,003
At 31 December 2017	<u>24,003</u>
DEPRECIATION	
Charge for year	6,001
At 31 December 2017	<u>6,001</u>
NET BOOK VALUE	
At 31 December 2017	<u>18,002</u>

Company

	Leasehold Improvements £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 January 2017	310,764	113,550	24,136	232,463	680,913
Additions	-	30,347	24,003	130,410	184,760
At 31 December 2017	<u>310,764</u>	<u>143,897</u>	<u>48,139</u>	<u>362,873</u>	<u>865,673</u>
DEPRECIATION					
At 1 January 2017	238,253	30,590	19,163	108,613	396,619
Charge for year	72,511	21,103	7,245	44,415	145,274
At 31 December 2017	<u>310,764</u>	<u>51,693</u>	<u>26,408</u>	<u>153,028</u>	<u>541,893</u>
NET BOOK VALUE					
At 31 December 2017	<u>-</u>	<u>92,204</u>	<u>21,731</u>	<u>209,845</u>	<u>323,780</u>
At 31 December 2016	<u>72,511</u>	<u>82,960</u>	<u>4,973</u>	<u>123,850</u>	<u>284,294</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

9. **TANGIBLE FIXED ASSETS - continued**

Company

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

	Motor vehicles £
COST	
Additions	24,003
At 31 December 2017	<u>24,003</u>
DEPRECIATION	
Charge for year	6,001
At 31 December 2017	<u>6,001</u>
NET BOOK VALUE	
At 31 December 2017	<u>18,002</u>

10. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 January 2017	112,818
Additions	8,943
At 31 December 2017	<u>121,761</u>
NET BOOK VALUE	
At 31 December 2017	<u>121,761</u>
At 31 December 2016	<u>112,818</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

10. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Unispace Global France (SAS)

Registered office: 5 Rue de Hanovre, 75002 Paris

Nature of business: Business and commercial interior design

	% holding		
Class of shares:			
Ordinary	100.00	31.12.17	31.12.16
		£	£
Aggregate capital and reserves		500,775	465,280
Profit for the year		<u>35,495</u>	<u>210,752</u>

Unispace Global GmbH

Registered office: Unter den Linden 21, 10117 Berlin, Germany

Nature of business: Business and commercial interior design

	% holding		
Class of shares:			
Ordinary	100.00	31.12.17	31.12.16
		£	£
Aggregate capital and reserves		269,576	(206,007)
Profit/(loss) for the year		<u>475,583</u>	<u>(227,339)</u>

Unispace Global Ltd

Registered office: Wasserwerkstrasse 12, 80006 Zurich, Switzerland

Nature of business: Business and commercial interior design

	% holding		
Class of shares:			
Ordinary	100.00	31.12.17	31.12.16
		£	£
Aggregate capital and reserves		3,243,038	66,807
Profit/(loss) for the year		<u>3,176,231</u>	<u>(12,942)</u>

Unispace B.V.

Registered office: Teleport Towers, Kingsfordweg 151, 1043GR Amsterdam, Netherlands

Nature of business: Business and commercial interior design

	% holding		
Class of shares:			
Ordinary	100.00	31.12.17	
		£	
Aggregate capital and reserves		542,128	
Profit for the year		<u>542,127</u>	

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

10. **FIXED ASSET INVESTMENTS - continued**

Unispace Global SL

Registered office: Calle Manzanares 4, 28005 Madrid, Spain

Nature of business: Business and commercial interior design

	% holding	
Class of shares:		
Ordinary	100.00	31.12.17
		£
Aggregate capital and reserves		913,317
Profit for the year		<u>910,550</u>

Unispace Global ApS

Registered office: Flaeskertorvet 68, 1711 Copenhagen V, Denmark

Nature of business: Business and commercial interior design

	% holding	
Class of shares:		
Ordinary	100.00	31.12.17
		£
Aggregate capital and reserves		(54,379)
Loss for the year		<u>(60,554)</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Trade debtors	7,949,662	4,794,502	1,717,998	2,584,442
Amounts owed by group undertakings	-	-	6,151,735	4,563,364
Amounts owed by related parties	8,052,167	57,631	5,923,092	55,246
Amounts recoverable on contract	1,068,162	454,650	908,562	454,650
Other debtors	172,670	117,697	14,095	112,993
Directors' current accounts	404,750	-	404,750	-
Tax	131,544	-	131,544	-
VAT	-	89,822	109,527	279,741
Prepayments	243,976	117,226	112,793	32,075
	<u>18,022,931</u>	<u>5,631,528</u>	<u>15,474,096</u>	<u>8,082,511</u>
Amounts falling due after more than one year:				
Amounts owed by related parties	<u>-</u>	<u>5,038,305</u>	<u>-</u>	<u>4,309,778</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Hire purchase contracts (see note 14)	7,025	-	7,025	-
Amounts payable on contract	257,163	4,800	257,163	4,800
Trade creditors	7,086,226	3,818,809	2,728,732	2,554,200
Amounts owed to group undertakings	-	-	2,353,151	-
Amounts owed to related parties	1,045,099	836,045	1,045,099	836,045
Tax	2,769,871	1,184,736	2,210,759	1,247,562
Social security and other taxes	903,469	494,401	810,519	413,457
VAT	867,440	-	-	-
Accruals and deferred income	4,492,035	3,790,196	2,563,240	2,712,459
	<u>17,428,328</u>	<u>10,128,987</u>	<u>11,975,688</u>	<u>7,768,523</u>

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

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Hire purchase contracts (see note 14)	<u>2,342</u>	<u>-</u>	<u>2,342</u>	<u>-</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.12.17	31.12.16
	£	£
Net obligations repayable:		
Within one year	7,025	-
Between one and five years	<u>2,342</u>	<u>-</u>
	<u>9,367</u>	<u>-</u>

Company

	Hire purchase contracts	
	31.12.17	31.12.16
	£	£
Net obligations repayable:		
Within one year	7,025	-
Between one and five years	<u>2,342</u>	<u>-</u>
	<u>9,367</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Hire purchase contracts	<u>9,367</u>	<u>-</u>	<u>9,367</u>	<u>-</u>

Hire purchase contracts are secured on the assets to which they relate.

16. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Deferred tax	<u>49,859</u>	<u>39,865</u>	<u>49,859</u>	<u>39,865</u>

Group

	Deferred tax
	£
Balance at 1 January 2017	39,865
Provided during year	<u>9,994</u>
Balance at 31 December 2017	<u>49,859</u>

Company

	Deferred tax
	£
Balance at 1 January 2017	39,865
Provided during year	<u>9,994</u>
Balance at 31 December 2017	<u>49,859</u>

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.17	31.12.16
		£1	£	£
250,000	Ordinary shares		<u>250,000</u>	<u>250,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

18. **RESERVES**

Group

	Retained earnings £
At 1 January 2017	8,557,526
Profit for the year	9,928,217
Dividends	(5,000,000)
At 31 December 2017	<u>13,485,743</u>

Company

	Retained earnings £
At 1 January 2017	8,417,806
Profit for the year	4,775,245
Dividends	(5,000,000)
At 31 December 2017	<u>8,193,051</u>

19. **ULTIMATE PARENT COMPANY**

Unispace Global Pty Limited (incorporated in Australia) is regarded by the directors as being the company's ultimate parent company.

20. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2017 and 31 December 2016:

	31.12.17 £	31.12.16 £
Mr A G Hazell		
Balance outstanding at start of year	-	-
Amounts advanced	298,750	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>298,750</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

20. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

Mr S Parsons

Balance outstanding at start of year	-	-
Amounts advanced	93,500	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>93,500</u>	<u>-</u>

Mr D Woodcock

Balance outstanding at start of year	-	-
Amounts advanced	12,500	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>12,500</u>	<u>-</u>

21. **RELATED PARTY DISCLOSURES**

Entities with control, joint control or significant influence over the entity

Unispace Global Pty Ltd

Ultimate parent

During the year, management charges were raised by Unispace Global Pty Ltd of £1,993,278 (2016: £586,159).

Amounts due to related party - £989,231 (2016: £651,783).

Other related parties

Unispace of North America LLC

Common control

During the year a further 2.7% interest loan was provided to Unispace of North America LLC giving a year-end balance of £7,862,212 (2016: £5,038,305).

£117,815 (2016: £56,614) of loan interest has been accrued into the loan.

Unispace Global Srl

Common control

During the year, the company paid expenses of and passed management charges to Unispace Global Srl totalling £186,101 (2016: £3,854).

Amounts due from related party - £189,955 (2016: £3,854).

22. **ULTIMATE CONTROLLING PARTY**

The controlling party is the Board of Directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.