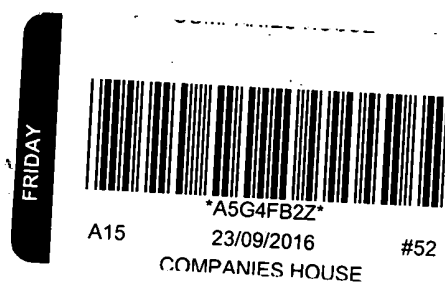


COMPANY REGISTRATION NUMBER: 4234757

Exponent International Limited
Abbreviated Financial Statements
1 January 2016

TLP AUDIT LIMITED

Chartered accountant
3 Greengate
Cardale Park
Harrogate
HG3 1GY



Exponent International Limited

Strategic Report

Period from 3 January 2015 to 1 January 2016

Overview

Exponent International Limited is a scientific consulting firm that provides solutions to complex problems. Our multidisciplinary team of scientists and regulatory consultants brings together multiple technical disciplines to solve complicated issues facing our clients.

Our technical and regulatory specialists are experienced in dealing with foods, and with pesticide and non-pesticide products including conventional chemicals, biochemicals, antimicrobials/biocides, cosmetics and industrial chemicals. We provide practical, scientific and regulatory support to meet global business objectives at every stage of the product cycle, from research and development to retail and beyond.

Our environmental scientists provide cost-effective, scientifically defensible and realistic assessments and solutions to complex environmental issues.

Review of the Company's Business

Turnover for fiscal 2015 increased 12% as compared to the prior year. The increase in turnover was due to a 12% increase in billable hours. The increase in billable hours was due to strong demand for our regulatory consulting services. Technical full-time equivalent employees increased by 6% due to our recruiting and retention efforts. We continue to selectively hire key talent to expand our capabilities.

Risk Factors

Exponent International Limited operates in a rapidly changing environment that involves a number of uncertainties, some of which are beyond our control. These uncertainties include, but are not limited to, those set forth below.

The unpredictable and reactive nature of our business can create uneven performance in any given period

Failure to attract and retain key employees may adversely affect our business.

Competition could reduce our pricing and adversely affect our business.

The loss of a large client could adversely affect our business.

Our clients may be unable to pay for our services.

Our business is dependent on our professional reputation.

Our business can be adversely impacted by deregulation or reduced regulatory enforcement.

Our engagements may result in professional or other liability.

Potential conflicts of interest may preclude us from accepting some engagements.

We are subject to unpredictable risks of litigation.

We may experience security breaches that could lead to the inability to protect confidential information.

Our international operations create special risks that could adversely affect our business.

Our business can be adversely affected by downturns in the overall economy.

Our annual results may vary.

We have foreign currency risk related to foreign currency transactions and monetary assets and

Exponent International Limited

Strategic Report *(continued)*

Period from 3 January 2015 to 1 January 2016

liabilities denominated in currencies that are not Pound Sterling.

This report was approved by the board of directors on 24 August 2016 and signed on behalf of the board by:

A handwritten signature in black ink, reading "Richard Lee Schlenker". The signature is written in a cursive style with a large, stylized 'R' and 'L'.

Richard Lee Schlenker
Company Secretary

Registered office:
The Lenz
Hornbeam Business Park
Harrogate
North Yorkshire
HG2 8RE

Exponent International Limited

Director's Report

Period from 3 January 2015 to 1 January 2016

The director presents his report and the abbreviated financial statements of the company for the period ended 1 January 2016.

Director

The director who served the company during the period was as follows:

Dr P Johnston

Dividends

Particulars of recommended dividends are detailed in note 7 to the financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006, to include all information required by schedule 7 of the Large and Medium-sized Companies and Groups regulations 2008 within its strategic report.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. 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 profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Exponent International Limited

Director's Report *(continued)*

Period from 3 January 2015 to 1 January 2016

This report was approved by the board of directors on 24 August 2016 and signed on behalf of the board by:



Richard Lee Schlenker
Company Secretary

Registered office:
The Lenz
Hornbeam Business Park
Harrogate
North Yorkshire
HG2 8RE

Exponent International Limited

Independent Auditor's Report to Exponent International Limited under section 449 of the Companies Act 2006

Period from 3 January 2015 to 1 January 2016

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, together with the financial statements of Exponent International Limited for the period ended 1 January 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company's shareholder 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 shareholder those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

The director is responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.

ANDREW WILD BA FCA (Senior Statutory Auditor)

For and on behalf of
TLP Audit Limited
Chartered accountant

3 Greengate
Cardale Park
Harrogate
HG3 1GY

24 August 2016

Exponent International Limited
Abbreviated Statement of Comprehensive Income
Period from 3 January 2015 to 1 January 2016

		Period from 3 Jan 15 to 1 Jan 16	Period from 4 Jan 14 to 2 Jan 15
	Note	£	£
Turnover	2	12,119,008	10,817,483
Cost of sales and other operating income		9,063,998	7,475,515
Administrative expenses		1,394,088	1,431,746
Operating profit	3	1,660,922	1,910,222
Other interest receivable and similar income		4,772	16,256
Profit on ordinary activities before taxation		1,665,694	1,926,478
Tax on profit on ordinary activities	6	338,169	432,486
Profit for the financial period and total comprehensive income		<u>1,327,525</u>	<u>1,493,992</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

Exponent International Limited

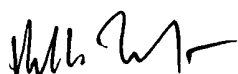
Statement of Financial Position

1 January 2016

	Note	1 Jan 16 £	£	2 Jan 15 £
Fixed assets				
Tangible assets	8		83,016	131,575
Investments	9		<u>2,174,193</u>	<u>—</u>
			2,257,209	131,575
Current assets				
Stocks	10	1,071,331		952,711
Debtors	11	2,550,442		2,273,072
Cash at bank and in hand		<u>2,881,651</u>		<u>10,148,823</u>
		6,503,424		13,374,606
Creditors: amounts falling due within one year	12	<u>4,107,058</u>		<u>4,231,883</u>
Net current assets			2,396,366	9,142,723
Total assets less current liabilities			4,653,575	9,274,298
Net assets			4,653,575	9,274,298
Capital and reserves				
Called up share capital	14		102	100
Share premium account	15		<u>2,174,191</u>	<u>—</u>
Profit and loss account	15		<u>2,479,282</u>	<u>9,274,198</u>
Shareholder funds			4,653,575	9,274,298

These financial statements have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 24 August 2016, and are signed on behalf of the board by:



Dr P Johnston
Director

Company registration number: 4234757

The notes on pages 10 to 17 form part of these financial statements.

Exponent International Limited

Statement of Changes in Equity

Period from 3 January 2015 to 1 January 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 4 January 2014	100	–	7,780,206	7,780,306
Profit for the period	—	—	1,493,992	1,493,992
Total comprehensive income for the period	–	–	1,493,992	1,493,992
At 2 January 2015	100	–	9,274,198	9,274,298
Profit for the period	—	—	1,327,525	1,327,525
Total comprehensive income for the period	–	–	1,327,525	1,327,525
Issue of shares	2	2,174,191	–	2,174,193
Dividends paid and payable	7	–	(8,122,441)	(8,122,441)
Total investments by and distributions to owners	2	2,174,191	(8,122,441)	(5,948,248)
At 1 January 2016	<u>102</u>	<u>2,174,191</u>	<u>2,479,282</u>	<u>4,653,575</u>

The notes on pages 10 to 17 form part of these financial statements.

Exponent International Limited

Statement of Cash Flows

Period from 3 January 2015 to 1 January 2016

	1 Jan 16 £	2 Jan 15 £
Cash flows from operating activities		
Profit for the financial period	1,327,525	1,493,992
<i>Adjustments for:</i>		
Depreciation of tangible assets	79,819	82,354
Other interest receivable and similar income	(4,772)	(16,256)
Loss on disposal of tangible assets	418	2,164
Tax on profit on ordinary activities	338,169	432,486
Accrued expenses/(income)	689,089	(285,790)
<i>Changes in:</i>		
Stocks	(118,620)	31,690
Trade and other debtors	(277,370)	(101,286)
Trade and other creditors	284,690	162,477
Cash generated from operations	2,318,948	1,801,831
Interest received	4,772	16,256
Tax paid	(497,739)	(457,986)
Net cash from operating activities	<u>1,825,981</u>	<u>1,360,101</u>
Cash flows from investing activities		
Purchase of tangible assets	(31,677)	(39,728)
Proceeds from sale of tangible assets	(1)	1
Net cash used in investing activities	<u>(31,678)</u>	<u>(39,727)</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	(939,034)	(76,381)
Dividends paid	(8,122,441)	—
Net cash used in financing activities	<u>(9,061,475)</u>	<u>(76,381)</u>
Net (decrease)/increase in cash and cash equivalents	(7,267,172)	1,243,993
Cash and cash equivalents at beginning of period	10,148,823	8,904,830
Cash and cash equivalents at end of period	<u>2,881,651</u>	<u>10,148,823</u>

The notes on pages 10 to 17 form part of these financial statements.

Exponent International Limited

Notes to the Abbreviated Financial Statements

Period from 3 January 2015 to 1 January 2016

1. Accounting policies

Basis of preparation

The company prepares accounts on a full 52 (or 53) week period. These accounts have been prepared to the 52 weeks ended 1st January 2016.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 4 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 18.

Consolidation

Group financial statements are not prepared under the exemption permitted by section 401 of the Companies Act 2006 as the company is a wholly owned subsidiary of Exponent Inc which prepares consolidated financial statements to 31 December and is registered in the United States of America. Accordingly, the financial statements present information about the company as an individual undertaking and not about its group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services to customers outside the company net of returns, sales allowances and VAT.

Revenue from services is recognised at the point the company fulfils its commercial obligations to the customer, the revenue and costs in respect of the transaction can be measured reliably and collectability is reasonably assured.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Exponent International Limited

Notes to the Abbreviated Financial Statements *(continued)*

Period from 3 January 2015 to 1 January 2016

1. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Equipment	-	33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Exponent International Limited

Notes to the Abbreviated Financial Statements *(continued)*

Period from 3 January 2015 to 1 January 2016

1. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2. Turnover

Turnover arises from:

	Period from 3 Jan 15 to 1 Jan 16 £	Period from 4 Jan 14 to 2 Jan 15 £
Rendering of services	<u>12,119,008</u>	<u>10,817,484</u>

3. Operating profit

Operating profit or loss is stated after charging:

	Period from 3 Jan 15 to 1 Jan 16 £	Period from 4 Jan 14 to 2 Jan 15 £
Depreciation of tangible assets	79,819	82,354
Loss on disposal of tangible assets	418	2,164
Operating lease rentals	175,465	176,108
Foreign exchange differences	(140,905)	286,056
Defined contribution plans expense	<u>300,440</u>	<u>232,259</u>

4. Auditor's remuneration

	Period from 3 Jan 15 to 1 Jan 16 £	Period from 4 Jan 14 to 2 Jan 15 £
Fees payable for the audit of the financial statements	<u>9,250</u>	<u>9,250</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>30,743</u>	<u>25,392</u>

5. Staff costs

The average number of persons employed by the company during the period, including the director, amounted to:

	1 Jan 16 No	2 Jan 15 No
Administrative staff	<u>61</u>	<u>60</u>

Exponent International Limited

Notes to the Abbreviated Financial Statements *(continued)*

Period from 3 January 2015 to 1 January 2016

5. Staff costs *(continued)*

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 3 Jan 15 to 1 Jan 16 £	Period from 4 Jan 14 to 2 Jan 15 £
Wages and salaries	4,526,436	3,713,954
Social security costs	522,059	430,895
Other pension costs	300,440	232,259
	<u>5,348,935</u>	<u>4,377,108</u>

6. Tax on profit on ordinary activities

Major components of tax expense

	Period from 3 Jan 15 to 1 Jan 16 £	Period from 4 Jan 14 to 2 Jan 15 £
Current tax:		
UK current tax expense	338,169	432,486
Tax on profit on ordinary activities	<u>338,169</u>	<u>432,486</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	Period from 3 Jan 15 to 1 Jan 16 £	Period from 4 Jan 14 to 2 Jan 15 £
Profit on ordinary activities before taxation	1,665,694	1,926,478
Profit on ordinary activities by rate of tax	322,624	415,601
Effect of expenses not deductible for tax purposes	5,103	6,467
Effect of capital allowances and depreciation	6,323	6,851
Other tax adjustment to increase/(decrease) tax liability	4,119	3,567
Tax on profit on ordinary activities	<u>338,169</u>	<u>432,486</u>

7. Dividends

Dividends paid during the period (excluding those for which a liability existed at the end of the prior period):

	1 Jan 16 £	2 Jan 15 £
Dividends on equity shares	<u>8,122,441</u>	<u>—</u>

Exponent International Limited

Notes to the Abbreviated Financial Statements *(continued)*

Period from 3 January 2015 to 1 January 2016

8. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 3 January 2015	489,800	112,410	602,210
Additions	5,905	25,772	31,677
Disposals	—	(4,584)	(4,584)
At 1 January 2016	<u>495,705</u>	<u>133,598</u>	<u>629,303</u>
Depreciation			
At 3 January 2015	389,685	80,950	470,635
Charge for the period	53,785	26,034	79,819
Disposals	—	(4,167)	(4,167)
At 1 January 2016	<u>443,470</u>	<u>102,817</u>	<u>546,287</u>
Carrying amount			
At 1 January 2016	<u>52,235</u>	<u>30,781</u>	<u>83,016</u>
At 2 January 2015	<u>100,115</u>	<u>31,460</u>	<u>131,575</u>

9. Investments

	Shares in group undertakings £
Cost	
Additions	2,174,193
At 1 January 2016	<u>2,174,193</u>
Impairment	
At 3 Jan 2015 and 1 Jan 2016	—
Carrying amount	
At 1 January 2016	<u>2,174,193</u>
At 2 January 2015	<u>—</u>
Subsidiaries, associates and other investments	

Exponent International Limited

Notes to the Abbreviated Financial Statements *(continued)*

Period from 3 January 2015 to 1 January 2016

9. Investments *(continued)*

	Holding shares held	Proportion of voting rights and	Nature of business
Subsidiary undertakings			
All held by the company:			
Exponent Limited (Incorporated in Hong Kong)	Ordinary shares	100%	Consultancy
Exponent B.V. (Incorporated in the Netherlands)	Ordinary shares	100%	Consultancy

Exponent Limited had aggregate capital and reserves at the balance sheet date of £597,960 and a profit of £449,315 for the year ended December 2015.

Exponent B.V had aggregate capital and reserves at the balance sheet date of €2,207,317 and a profit of €215,078 for the year ended 31 December 2015.

10. Stocks

	1 Jan 16 £	2 Jan 15 £
Work in progress	<u>1,071,331</u>	<u>952,711</u>

11. Debtors

	1 Jan 16 £	2 Jan 15 £
Trade debtors	2,485,938	2,201,089
Prepayments and accrued income	64,504	71,983
	<u>2,550,442</u>	<u>2,273,072</u>

12. Creditors: amounts falling due within one year

	1 Jan 16 £	2 Jan 15 £
Trade creditors	323,421	67,620
Amounts owed to group undertakings	864,985	1,804,019
Accruals and deferred income	2,581,290	1,892,201
Corporation tax	22,127	181,697
Social security and other taxes	268,865	261,437
Other creditors	46,370	24,909
	<u>4,107,058</u>	<u>4,231,883</u>

Exponent International Limited

Notes to the Abbreviated Financial Statements *(continued)*

Period from 3 January 2015 to 1 January 2016

13. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £300,440 (2015: £232,259).

14. Called up share capital

Issued, called up and fully paid

	1 Jan 16		2 Jan 15	
	No	£	No	£
Ordinary shares of £1 each	<u>102</u>	<u>102</u>	<u>100</u>	<u>100</u>

Share movements

	No	£
Ordinary		
At 3 January 2015	100	100
Issue of shares	<u>2</u>	<u>2,174,194</u>
At 1 January 2016	<u>102</u>	<u>2,174,294</u>

During the period the company issued two ordinary shares for a consideration of £2,174,193.

15. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. Profit and loss account - This reserve records retained earnings and accumulated losses.

16. Operating leases

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

	1 Jan 16	2 Jan 15
	£	£
Not later than 1 year	169,757	157,257
Later than 1 year and not later than 5 years	714,893	727,778
Later than 5 years	<u>186,188</u>	<u>354,735</u>
	<u>1,070,838</u>	<u>1,239,770</u>

17. Controlling party

The largest group of which the company is a member and for which group financial statements are prepared is Exponent Inc, a company registered in the United States of America. Exponent Inc is the company's parent company and ultimate controlling party. Copies of Exponent Inc's financial statements can be obtained from 149 Commonwealth Drive, Menlo Park, California, 94025, USA.

Exponent International Limited

Notes to the Abbreviated Financial Statements *(continued)*

Period from 3 January 2015 to 1 January 2016

18. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 4 January 2014.

Reconciliation of equity

	4 January 2014			2 January 2015		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	176,366	–	176,366	131,575	–	131,575
Current assets	12,061,017	–	12,061,017	13,374,606	–	13,374,606
Creditors: amounts falling due within one year	(4,457,077)	–	(4,457,077)	(4,179,310)	(52,573)	(4,231,883)
Net current assets	<u>7,603,940</u>	–	<u>7,603,940</u>	<u>9,195,296</u>	(52,573)	<u>9,142,723</u>
Total assets less current liabilities	<u>7,780,306</u>	–	<u>7,780,306</u>	<u>9,326,871</u>	(52,573)	<u>9,274,298</u>
Net assets	<u>7,780,306</u>	–	<u>7,780,306</u>	<u>9,326,871</u>	(52,573)	<u>9,274,298</u>
Capital and reserves	<u>7,780,306</u>	–	<u>7,780,306</u>	<u>9,326,871</u>	(52,573)	<u>9,274,298</u>

Reconciliation of profit or loss for the year

	Year ended 2 January 2015		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Turnover	10,817,483	–	10,817,483
Cost of sales	(7,422,942)	(52,573)	(7,475,515)
Gross profit	<u>3,394,541</u>	(52,573)	<u>3,341,968</u>
Administrative expenses	(1,431,746)	–	(1,431,746)
Operating profit	<u>1,962,795</u>	(52,573)	<u>1,910,222</u>
Other interest receivable and similar income	16,256	–	16,256
Tax on profit on ordinary activities	(432,486)	–	(432,486)
Profit for the financial period	<u>1,546,565</u>	(52,573)	<u>1,493,992</u>

(a) a holiday pay accrual is now provided for the cost of paid annual leave not taken at the period end.