Financial Statements

Wassen International Limited

For the Year Ended 28 February 2017

Registered number: 01154116

Company Information

Directors	K M Nash (appointed 24 January 2017) L R Baillon (resigned 28 February 2017) G Grieve
Registered number	01154116
Registered office	10 Aldersgate Street London EC1A 4HJ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Broadfield Court SHEFFIELD South Yorkshire S8 0XF
Bankers	HSBC 26 Broad Street READING Berkshire RG1 2BU
Solicitors	Carter Lemon Camerons LLP 10 Aldersgate Street LONDON EC1A 4HJ

Contents

Directors' Report
For the Year Ended 28 February 2017

The directors present their report and the financial statements for the year ended 28 February 2017.

Principal activity

The principal activity of the Company during the year was the supply and marketing of nutritional supplements.

On 28 February 2017, Wassen International Limited acquired the trade and assets of Efamol Limited for £1 which has the sample principal trade.

Directors

The directors who served during the year were:

K M Nash (appointed 24 January 2017)
L R Baillon (resigned 28 February 2017)
G Grieve

Capital reduction

The Company undertook a capital reduction on 13 April 2016 which has resulted in a repayment of its share capital of £1,146,249 and the share premium amount of £765,505.

Going concern

The directors have considered the Company's cash and net current liabilities position, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering from the date of these financial statements to 31 July 2018, taking into account the Group banking facilities currently available and expected to be available to the Company, and the support of Wassen Group Holdings Limited.

On this basis, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future. For this reason the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

Directors' Report (continued)
For the Year Ended 28 February 2017

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 directors are 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. They are 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.

Disclosure of information to auditor

Each of the persons who is adirector at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 14 September 2017 and signed on its behalf.

G Grieve
Director

Grant Thornton

Independent Auditor's Report to the Members of Wassen International Limited

We have audited the financial statements of Wassen International Limited for the year ended 28 February 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), (United Kingdom Generally Accepted Accounting Practice), including the 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 an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2017 and of its 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.

Independent Auditor's Report to the Members of Wassen International Limited (continued)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Donna Steel (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Sheffield
Date: 14 September 2017

Statement of Comprehensive Income
For the Year Ended 28 February 2017

	Note	2017 £	2016 £
Turnover	4	**2,185,551**	3,107,040
Cost of sales		**(1,056,158)**	(1,757,520)
Gross profit		**1,129,393**	1,349,520
Distribution costs		**(211,554)**	(418,865)
Administrative expenses		**(577,665)**	(1,405,397)
Impairment of goodwill		**(1,174,508)**	-
Stock write down		**(167,724)**	(220,593)
Provisions for bad debts		**-**	(8,109,408)
Intercompany loan waived		**3,181,164**	-
Operating profit/(loss)	5	**2,179,106**	(8,804,743)
Interest payable and similar expenses	9	**(68,047)**	(58,145)
Profit/(loss) on ordinary activities before tax		**2,111,059**	(8,862,888)
Profit/(loss) on ordinary activities after tax attributable to owners of the parent		**2,111,059**	(8,862,888)
Other comprehensive income for the year			
Total comprehensive income for the year attributable to owners of the parent		**2,111,059**	(8,862,888)

The notes on pages 8 to 23 form part of these financial statements.

Wassen International Limited
Registered number:01154116

Statement of Financial Position
As at 28 February 2017

	Note		28 February 2017 £		29 February 2016 £
Fixed assets					
Intangible assets	11		**48,267**		17,329
Tangible assets	12		**23,297**		70,388
			71,564		87,717
Current assets					
Stocks	13	**1,198,417**		739,130	
Debtors	14	**2,234,149**		828,313	
Cash at bank and in hand	15	**2,327,617**		8,879	
		5,760,183		1,576,322	
Creditors: amounts falling due within one year	16	**(7,538,890)**		(5,482,241)	
Net current liabilities			**(1,778,707)**		(3,905,919)
Total assets less current liabilities			**(1,707,143)**		(3,818,202)
Net liabilities			**(1,707,143)**		(3,818,202)
Capital and reserves					
Called up share capital	18		**1**		1,146,250
Share premium account	17		**-**		765,505
Capital redemption reserve	17		**65,000**		65,000
Profit and loss account	17		**(1,772,144)**		(5,794,957)
			(1,707,143)		(3,818,202)

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
14 September 2017.

G Grieve
Director

The notes on pages 8 to 23 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 28 February 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 March 2016	**1,146,250**	**765,505**	**65,000**	**(5,794,957)**	**(3,818,202)**
Profit for the year	-	-	-	2,111,059	2,111,059
Total comprehensive income for the year	-	-	-	2,111,059	2,111,059
Contributions by and distributions to owners					
Capital reduction	(1,146,249)	(765,505)	-	1,911,754	-
Total transactions with owners	(1,146,249)	(765,505)	-	1,911,754	-
At 28 February 2017	1	-	65,000	(1,772,144)	(1,707,143)

Statement of Changes in Equity
For the Year Ended 29 February 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 March 2015	**1,146,250**	**765,505**	**65,000**	**3,067,931**	**5,044,686**
Loss for the year	-	-	-	(8,862,888)	(8,862,888)
Total comprehensive income for the year	-	-	-	(8,862,888)	(8,862,888)
At 29 February 2016	1,146,250	765,505	65,000	(5,794,957)	(3,818,202)

The notes on pages 8 to 23 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 28 February 2017

1. General information

Wassen International Limited's principal activity during the year is the supply and marketing of fatty acid nutritional supplements. On 28 February 2017, Wassen International Limited acquired the trade and assets of Efamol Limited for £1 which has the sample principal trade.

The Company is a private company limited by shares and is incorporated in England and Wales.

The Company changed its registered office from Ground Floor, Unit A, Cedar Court Office Park, Wakefield, West Yorkshire, WF4 3DB to 10 Aldersgate Street, London, England, EC1 AHJ during the year.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

Going concern

The directors have considered the Company's cash and net current liabilities position, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering from the date of these financial statements to 31 July 2018, taking into account the Group banking facilities currently available and expected to be available to the Company, and the support of Wassen Group Holdings Limited.

On this basis, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future. For this reason the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

Notes to the Financial Statements
For the Year Ended 28 February 2017

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Wassen Group Holdings Limited as at 28 February 2017 and these financial statements may be obtained from 10 Aldersgate Street, London, EC1A 4H.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements

For the Year Ended 28 February 2017

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Trademarks	-	10 % straight line

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of income and retained earnings during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long Term Leasehold Property	-	20% straight line
Plant & machinery	-	8% - 50% per annum
Motor vehicles	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

Notes to the Financial Statements
For the Year Ended 28 February 2017

2. Accounting policies (continued)

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the period of the lease.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Stock

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of income and retained earnings.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 28 February 2017

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements
For the Year Ended 28 February 2017

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

Notes to the Financial Statements
For the Year Ended 28 February 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors made the following Judgements and estimates in preparing the financial statements:

3.1 Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3.2 Stock provisioning

The Company supplies and markets fatty acid nutritional supplements and is subject to changing demands and trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as assumptions around anticipated saleability of finished goods and future usage of raw materials.

3.3 Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing of the debtors and historical experience.

4. Turnover

Analysis of turnover by country of destination:

	2017	2016
	£	£
United Kingdom	**567,564**	991,220
Rest of Europe	**1,617,987**	2,115,820
	2,185,551	3,107,040

The whole of the turnover is attributable to the one principal activity of the Company.

Notes to the Financial Statements
For the Year Ended 28 February 2017

5. Operating profit/(loss)

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

	2017 £	2016 £
Research & development charged as an expense	**39,324**	20,855
Depreciation of tangible fixed assets	**39,098**	47,865
Amortisation of intangible assets	**8,236**	15,864
Impairment of intangible assets	**(1,174,508)**	-
Exchange differences	**37,317**	4,303
Other operating lease rentals	**12,584**	25,812

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**20,000**	20,000

Fees payable to the Company's auditor and its associates in respect of:

Other services relating to taxation	**6,800**	6,800

Notes to the Financial Statements

For the Year Ended 28 February 2017

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	**483,977**	695,425
Social security costs	**44,791**	80,550
Other pension costs	**24,138**	39,378
	552,906	815,353

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

	2017 No.	2016 No.
Administrative staff	**10**	17

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	**103,894**	201,095
Company contributions to defined contribution pension schemes	**8,750**	25,255
	112,644	226,350

During the year retirement benefits were accruing to 1 directors (2016 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £91,394 (2016 - £62,724).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,750 (2016 - £6,250).

During the year total compensation paid to directors for loss of office was £Nil (2016 - £168,289).

Notes to the Financial Statements
For the Year Ended 28 February 2017

9. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	**38,681**	23,959
Other interest payable	**29,366**	34,186
	68,047	58,145

10. Taxation

	2017 £	2016 £
Current tax on profits for the year	**-**	-

Factors affecting tax charge for the period

The tax assessed for the Period is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20.08%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	**2,111,059**	(8,862,888)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20.08%)	**422,212**	(1,779,668)
Effects of:		
Fixed asset difference	**2,676**	799
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**220,999**	1,636,354
Other permanent differences	**-**	227
Tax adjustment on trade and asset transfer	**(1,045,063)**	-
Income not taxable	**(622,279)**	-
Group relief surrendered	**-**	36,993
Adjustment to deferred tax to average rate	**164,496**	22,915
Deferred tax not recognised	**856,959**	82,380
Total tax charge for the year	**-**	-

Notes to the Financial Statements
For the Year Ended 28 February 2017

11. Intangible assets

	Development £	Trademarks £	Goodwill £	Total £
Cost				
At 1 March 2016	-	151,413	-	151,413
Additions	-	17,846	-	17,846
Disposals	-	(54,166)	-	(54,166)
On acquisition of trade and assets (note 19)	1,129	20,200	1,174,508	1,195,837
At 28 February 2017	1,129	135,293	1,174,508	1,310,930
Amortisation				
At 1 March 2016	-	134,084	-	134,084
Charge for the year	-	8,236	-	8,236
On disposals	-	(54,165)	-	(54,165)
Impairment charge	-	-	1,174,508	1,174,508
At 28 February 2017	-	88,155	1,174,508	1,262,663
Net book value				
At 28 February 2017	1,129	47,138	-	48,267
At 29 February 2016	-	17,329	-	17,329

Notes to the Financial Statements
For the Year Ended 28 February 2017

12. Tangible fixed assets

	Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2016	20,336	274,412	7,695	302,443
Additions	-	6,228	-	6,228
Disposals	(20,336)	(111,037)	(7,695)	(139,068)
At 28 February 2017	-	169,603	-	169,603
Depreciation				
At 1 March 2016	6,955	217,405	7,695	232,055
Charge for the period on owned assets	4,016	35,082	-	39,098
Disposals	(10,971)	(106,181)	(7,695)	(124,847)
At 28 February 2017	-	146,306	-	146,306
Net book value				
At 28 February 2017	-	23,297	-	23,297
At 29 February 2016	13,381	57,007	-	70,388

Notes to the Financial Statements
For the Year Ended 28 February 2017

13. Stocks

	28 February 2017 £	29 February 2016 £
Raw materials and consumables	**761,100**	456,691
Finished goods and goods for resale	**437,317**	282,439
	1,198,417	739,130

Stock is stated after provision for impairment of £290,766 (2016 - £220,591).

14. Debtors

	28 February 2017 £	29 February 2016 £
Trade debtors	**1,861,600**	699,020
Amounts owed by group undertakings	**227,653**	5,000
Other debtors	**132,282**	46,405
Prepayments and accrued income	**12,614**	77,888
	2,234,149	828,313

Trade debtors are stated after provision for impairment of £44,240 (2016: £132,704). The bad debt expense recognised in the Statement of Comprehensive Income for the year was £15,003 (2016: £Nil).

15. Cash and cash equivalents

	28 February 2017 £	29 February 2016 £
Cash at bank and in hand	**2,327,617**	8,879
Less: bank overdrafts	**(3,258,821)**	(686,982)
	(931,204)	(678,103)

Notes to the Financial Statements

For the Year Ended 28 February 2017

16. Creditors: Amounts falling due within one year

	28 February 2017 £	29 February 2016 £
Bank overdrafts	**3,258,821**	686,982
Trade creditors	**718,267**	437,537
Amounts owed to group undertakings	**1,960,350**	3,681,365
Other taxation and social security	**12,385**	14,195
Invoice discounting	**1,257,935**	421,418
Other creditors	**23,643**	7,284
Accruals and deferred income	**307,489**	233,460
	7,538,890	5,482,241

The bank overdraft is a collective multi-currency Group facility and secured over the assets of the Group. Amounts due to invoice discounters are secured by a fixed charge on the related trade debtor balances and by a floating charge over all assets.

Formal deeds of waiver were signed during the year resulting in the intercompany creditors being formally written off.

17. Reserves

Share premium

Share premium - this is the amount paid for an equity in excess of its nominal value.

During the year the Company carried out an exercise to reduce the share premium reserve under section 177 of Companies Act 2006.

Capital redemption reserve

Capital redemption reserve - this is a non-distributable reserve and represents paid up share capital.

Profit & loss account

Profit and loss account includes all current and prior period retained profits and losses.

18. Share capital

	28 February 2017 £	29 February 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
4 (2016 - 4,585,000) Ordinary shares shares of £0.25 each	**1**	1,146,250

Notes to the Financial Statements

For the Year Ended 28 February 2017

18. Share capital (continued)

During the year the Company carried out an exercise to reduce the share capital and share premium reserve under section 177 of Companies Act 2006.

19. Business combinations

On 28 February 2017, Wassen International Limited acquired the trade and assets of Efamol Limited for £1.

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Intangible	**21,329**	-	21,329
	21,329	-	21,329
Current assets			
Stocks	**818,186**	-	818,186
Debtors	**1,076,189**	-	1,076,189
Cash at bank and in hand	**1,498,057**	-	1,498,057
Total assets	**3,413,761**	-	3,413,761
Creditors			
Due within one year	**(4,588,268)**	-	(4,588,268)
Fair value of net assets	**(1,174,507)**	-	(1,174,507)
Goodwill	-	1,174,508	1,174,508
Total purchase consideration	**(1,174,507)**	1,174,508	1
Cash and cash equivalents in subsidiary acquired	**1**	-	1
Cash outflow on acquisition	**1**	-	1

20. Capital commitments

There were no capital commitments as at 28 February 2017 or at 29 February 2016.

Notes to the Financial Statements
For the Year Ended 28 February 2017

21. Pension commitments

The pension cost charge represents the contributions payable by the Company to certain employees' personal pension schemes. Contributions of £23,643 were unpaid at the year end (2016 - £7,283) and are included in other creditors in note 16.

22. Commitments under operating leases

At 28 February 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	28 February 2017	29 February 2016
	£	£
Not later than 1 year	**20,163**	27,741
Later than 1 year and not later than 5 years	-	111,403
	20,163	139,144

23. Related party transactions

The Company is exempt from disclosing transactions and balances with other entities which are wholly owned members of Wassen Group Holdings Limited in accordance with section 33 of FRS 102.

During the year the Company made purchases of £104,702 (2016: £36,011) from Vital Health Foods (Pty) Limited. Vital Health Foods (Pty) Limited is a subsidiary of Infinitus Holdings (Pty) Limited. The amount due to Vital Health Foods (Pty) Limited at 28 February 2017 was £1,921,395 (2016: £85,858).

24. Controlling party

The immediate parent Company is Wassen Holdings Limited and this is owned 100% by Wassen Group Holdings Limited, both companies registered in England and Wales. Wassen Group Holdings Limited is the parent Company of the smallest group for which group accounts are prepared. Copies of the group financial statements of Wassen Group Holdings Limited are available from 10 Aldersgate Street, London, England, EC1A 4HJ.

In the opinion of the directors the ultimate controlling party is Infinitus Holdings (Pty) Limited by virtue of its majority shareholding in Vital Health Foods Holdings (Pty) Limited, which in turn owns Vital Health Foods (Pty) Limited, which owns Natural Formulas Limited which then has a majority share in Wassen Group Holdings Limited. The largest group of accounts which include this entity is that headed up by Infinitus Holdings (Pty) Limited.