

Wassen International Limited  
(Registration number 01154116)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 28 February 2019



**Wassen International Limited**  
**(Registration number 01154116)**  
**Annual Report And Financial Statements for the year ended 28 February 2019**

**Index**

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**Company information**

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<b>Country of incorporation</b>	England
<b>Company registration number</b>	01154116
<b>Directors</b>	WJL Loubser AJ Williamson C Hallett (appointed 14 May 2018)
<b>Nature of business and principal activities</b>	Supply and marketing of fatty acid nutritional supplements
<b>Registered office</b>	10 Aldersgate Street London England EC1A 4HJ
<b>Holding company</b>	Wassen Group Holdings Limited incorporated in England
<b>Independent auditor</b>	PricewaterhouseCoopers LLP Waterfront Plaza 8 Laganbank Road Belfast BT1 3LR
<b>Banker</b>	HSBC 26 Broad Street Reading Berkshire RG1 2 BU
<b>Solicitors</b>	Carter Lemon Camerons LLP 10 Aldersgate Street London England EC1A 4 HJ

## **Directors' report**

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The directors present their annual report and the audited financial statements of the company for the year ended 28 February 2019. The directors do not recommend the payment of a final dividend.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 and Section 414B of the Companies Act 2006 and a strategic report is not included.

### **1. Principal activities, review of business and future developments**

The principal activity of the company is that of the supply and marketing of nutritional supplements. Both the level of business and the period end financial position remain satisfactory and the directors expect that the level of activity will be sustained for the foreseeable future. The company did not undertake any other significant business activity in the year.

### **2. Political donations and political expenditure**

The company made no political donations or incurred any political expenditure during the current or prior year.

### **3. Functional currency**

The financial statements are presented in Great British Pound ("GBP"), which is the currency of the primary economic environment in which the entity operates.

### **4. Principal risks and uncertainties**

The board is responsible for the company's system of internal control and risk management and for reviewing its effectiveness. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of the error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored through the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements.

The company is exempt from the requirements regarding risks and key performance indicators required by section 417 of the Companies Act 2006 by virtue of its size.

### **5. Financial risk management**

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The financial risk of changes in foreign currency exchange rates is limited to the intercompany loan obligation as well as trade receivables denominated in foreign currencies. To mitigate this risk, the interest bearing liabilities are held at a fixed rate to ensure certainty of cash flows. With the liquidity risk this is managed by ensuring that sufficient funds are available for ongoing operations and future developments by use of short-term intercompany debt finance.

Credit risk consists mainly of cash at bank and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The directors evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

**Directors' Report (Continued)**

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**6. Results and dividends**

The results of the company are shown on page 10. The directors have declared a total dividend during the year of £ nil (2018: £ nil). The directors do not recommend the payment of a final dividend.

Profit for the year amounted to £ 546,332 (2018: profit for the year: £ 1,342,297).

**7. Post balance sheet events**

The directors are not aware of any matter or circumstance material to the annual financial statements arising since the reporting date and the date of approval of the annual financial statements.

**8. Directors**

The directors of the company who held office during the year and up to the date of the signing of the financial statements, unless otherwise stated, were as follows:

**Names**

WJL Loubser

AJ Williamson

C Hallet

Appointed 14 May 2018

**9. Directors' indemnities**

The directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company has purchased and maintained throughout the financial year directors' and Officers' liability insurance in respect of itself and its directors.

**10. Disclosure of information to auditors**

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

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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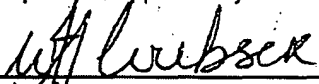
**Directors' Report (Continued)**

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**11. Independent auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be appointed and PricewaterhouseCoopers LLP will therefore continue in office.

The report was approved by the board of directors on and were signed on their behalf by:

  
WJL Loupser  
Director  
Date: 29 August 2019  
10 Aldersgate Street  
London  
England  
EC1A 4HJ

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#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 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 and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless they either intend to liquidate the company or to cease operation or have no realistic alternative but to do so.

The directors 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.

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.

The report was approved by the board of directors on and were signed on their behalf by:

  
WJL Loubser  
Director

Date: 29 August 2019

10 Aldersgate Street  
London  
England  
EC1A 4HJ

## ***Independent auditors' report to the members of Wassen International Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Wassen International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 28 February 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- 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 company'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.



## ***Independent auditors' report to the members of Wassen International Limited (continued)***

### **Reporting on other information**

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 28 February 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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 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 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 an auditors' report 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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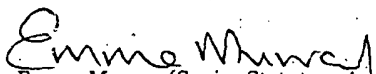
Annual report and Financial Statements for the year ended 28 February 2019

## ***Independent auditors' report to the members of Wassen International Limited (continued)***

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Emma Murray (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Belfast  
30 August 2019

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**Statement of Comprehensive Income for the year ended 28 February 2019**

	Notes	2019 £	2018 £ Restated
<b>Turnover</b>	4	7,945,990	7,386,517
<b>Cost of sales</b>			
- Cost of sales		(4,855,539)	(4,474,756)
- Exceptional item - Stock write down	5	-	(278,118)
		<u>(4,855,539)</u>	<u>(4,752,874)</u>
<b>Gross profit</b>		<b>3,090,451</b>	<b>2,633,643</b>
Administrative expenses		(1,890,249)	(1,753,541)
Distribution costs		(300,806)	(277,435)
<b>Operating profit</b>	6	<b>899,396</b>	<b>602,667</b>
Interest payable and similar expenses	10	(241,013)	(256,061)
<b>Profit before taxation</b>		<b>658,383</b>	<b>346,606</b>
Tax on profit	11	(112,051)	995,691
<b>Profit for the financial year</b>		<b>546,332</b>	<b>1,342,297</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		<b>546,332</b>	<b>1,342,297</b>

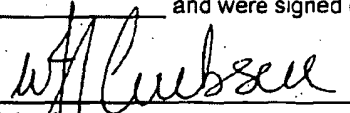
The company's results all relate to continuing operations.

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**Statement of financial position as at 28 February 2019**

	Notes	2019 £	2018 £
<b>Non current assets</b>			
Intangible assets	12	21,363	32,163
Tangible assets	13	14,667	7,623
Deferred tax	14	883,640	995,691
		<u>919,670</u>	<u>1,035,477</u>
<b>Current assets</b>			
Inventories	15	1,186,909	1,454,119
Trade and other receivables	16	2,306,589	1,716,893
Cash and cash equivalents	17	351,356	360,014
		<u>3,844,854</u>	<u>3,531,026</u>
<b>Total assets</b>		<u>4,764,524</u>	<u>4,566,503</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	(4,583,038)	(4,931,349)
		<u>181,486</u>	<u>(364,846)</u>
<b>Net assets / (liabilities)</b>			
Called up share capital	20	1	1
Capital redemption reserve		65,000	65,000
Retained earnings / (accumulated losses)	19	116,485	(429,847)
<b>Total shareholders funds</b>		<u>181,486</u>	<u>(364,846)</u>

This annual report and financial statements on pages 10 to 26 were approved by the board of directors on \_\_\_\_\_ and were signed on their behalf by:

  
WJL Loubser  
Director  
Date: 29 August 2019  
10 Aldersgate Street  
London  
England  
EC1A 4HJ

Wassen International Limited  
(Registration number 01154116)

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**Statement of changes in equity for the year ended 28 February 2019**

	Called up Share capital	Capital redemption reserve	Retained earnings (accumulated losses)	Total equity
	£	£	£	£
<b>Balance at 01 March 2017</b>	<b>1</b>	<b>65,000</b>	<b>(1,772,144)</b>	<b>(1,707,143)</b>
Profit for the financial year	-	-	1,342,297	1,342,297
<b>Balance at 01 March 2018</b>	<b>1</b>	<b>65,000</b>	<b>(429,847)</b>	<b>(364,846)</b>
Profit for the financial year	-	-	546,332	546,332
<b>Balance at 28 February 2019</b>	<b>1</b>	<b>65,000</b>	<b>116,485</b>	<b>181,486</b>

**Notes to the Financial Statements for the year ended 28 February 2019**

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**1. General Information**

The company is a private company limited by shares incorporated and registered in England and Wales domiciled in the United Kingdom.

The principal activity of the company is that of the supply and marketing of fatty acid nutritional supplements.

**2. Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied and the Companies Act of 2006.

**3. Accounting policies**

**Basis of preparation**

The financial statements are prepared on the going concern basis under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has chosen to apply paragraph 1A(1) of Schedule 1 of the Large and Medium Companies and Groups (Accounts and Reports) Regulation 2008 (SI 2008/410) and has adopted its balance sheet format.

**New standards, amendments and interpretations issued but not yet effective**

The FRC completed its triennial review of FRS 102 in December 2017. The key amendments resulting from this review are effective from 1 January 2019 and will have no material impact on company.

**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 2019 and these financial statements may be obtained from 10 Aldersgate Street, London, EC1A 4H.

**Going concern**

The directors believe that the company has adequate resources to continue in operational existence for the foreseeable future and that preparing the financial accounts on the going concern basis is appropriate.

**Summary of significant accounting policies**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Notes to the Financial Statements for the year ended 28 February 2019**

Figures in Pounds

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**3. Accounting policies (continued)**

**Critical accounting judgements and estimate 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.

There are no critical accounting estimates or judgements.

**Foreign Currency**

The company's functional and presentation currency is Great British Pound ('GBP').

**Transaction and balances**

Foreign currency transactions are translated into the functional currency using the rate of exchange at the date of the transaction.

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. All exchange differences are included in the profit or loss account.

**Turnover**

Turnover comprised of the supply and marketing of fatty acid nutritional supplements in the United Kingdom and the rest of Europe.

Turnover is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Turnover from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 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 economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

**Notes to the Financial Statements for the year ended 28 February 2019**

Figures in Pounds

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**3. Accounting policies (continued)**

*(i) Current tax*

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

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

*(ii) Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

**Intangible assets**

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

Amortisation is provided on the following bases:

Trademarks	-10% straight line
Development expenditure	-10% straight line
Goodwill	- 5% straight line

**Tangible assets**

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs include 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 comprehensive income 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:

Plant and machinery	8% - 50% per annum
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**Notes to the Financial Statements for the year ended 28 February 2019**

Figures in Pounds

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**3. Accounting policies (continued)**

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 comprehensive income.

**Inventory**

Inventory 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 weighted average cost method. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventory is assessed for impairment. If inventory 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 comprehensive income.

**Financial Instruments**

The company has chosen to adopt Sections 11 of FRS 102 in respect of financial instruments. The company enters into only basic financial instrument transactions and therefore Section 12 of FRS 102 is not applicable. As the company has not chosen to designate financial instruments as at fair value through profit or loss it has not provided disclosures under FRS 11.39 to 11.48A.

**(i) Financial assets**

Basic financial assets, including debtors, cash and cash equivalents and loans to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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

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

Financial assets are derecognised when:

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

**Notes to the Financial Statements for the year ended 28 February 2019**

Figures in Pounds

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**3. Accounting policies (continued)**

*(ii) Financial liabilities*

Basic financial liabilities, including creditors and loans to fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at the market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Loans from fellow group undertakings are classified as current liabilities if repayable on demand. If not, they are presented as non-current liabilities.

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

**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.

**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.

**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.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

**Related party transactions**

The company disclosed transactions with related parties within the same group. The company has taken advantage of the exemption from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102.

**Operating leases: Lessee**

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

**Notes to the Financial Statements for the year ended 28 February 2019**

Figures in Pounds

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**3. Accounting policies (continued)**

**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.

**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.

**Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**Exceptional items**

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

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**Notes to the Financial Statements for the year ended 28 February 2019**

	2019 £	2018 £
<b>4. Turnover</b>		
<b>Turnover - by destination</b>		
Sales - United Kingdom	787,846	685,304
Sales - Europe	6,041,197	6,509,083
Sales - Rest of the world	1,116,947	192,130
	<b>7,945,990</b>	<b>7,386,517</b>

The whole of the turnover is attributable to the one principle activity of the company.

**5. Exceptional items**

Cost of sales		Restated
Stock write down	-	278,118

This amount has been restated from the prior year financial statements. Refer to note 25 for more detail.

**6. Operating profit**

Operating profit for the year is stated after charging:

<b>Operating lease charges</b>		
• Premises	19,845	40,932
• Equipment	161	2,371
	<b>20,006</b>	<b>43,303</b>
Amortisation of intangible assets	10,800	13,129
Bad debts	-	17,372
Depreciation of tangible assets	5,239	17,133
Employee costs	697,700	416,368
Exchange differences	81,589	74,374
Legal expenses	37,699	54,744
(Profit) loss on disposal of assets	(50,000)	2,975
Movement on stock provision	(148,784)	(124,105)
Purchases	5,004,323	4,598,860
Research and development costs	91,695	34,777

**7. Auditors' remuneration**

Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	31,800	30,000
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**8. Employees**

Wages and salaries	624,032	382,137
Social security costs	48,158	19,235
Other pension costs	27,510	14,996
	<b>699,700</b>	<b>416,368</b>

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Annual Report And Financial Statements for the year ended 28 February 2019

**Notes to the Financial Statements for the year ended 28 February 2019**

	2019 £	2018 £
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**8. Employees (continued)**

The average monthly number of administrative employees, including the directors, during the year was 11 (2018: 10).

Key management compensation for group amounted to £123,236 (2018: £nil).

**9. Directors' emoluments**

Emoluments of £123,236 (2018: £nil) were paid to the directors or any individuals holding a prescribed office during the year.

During the year retirement benefits were accruing to one of the directors (2018: none) in respect of defined contribution pension scheme.

The value of the company's contribution paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,800 (2018: £nil).

During the year total compensation paid to directors for loss of office was £nil (2018: £nil).

**10. Interest payable and similar expenses**

Bank interest payable	(282)	41,049
Interest payable to group companies	139,933	153,806
CID interest payable	101,362	61,206
	<u>241,013</u>	<u>256,061</u>

**11. Tax on profit**

**a) Tax expense/ (Income) Included in profit or loss**

**Current**

Corporation tax - current year

**Deferred**

Originating and reversing temporary differences

Arising from prior period adjustments

**Total tax charge / (credit)**

	112,710	(995,691)
	(659)	-
	<u>112,051</u>	<u>(995,691)</u>

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**Notes to the Financial Statements for the year ended 28 February 2019**

	2019 £	2018 £
<b>11. Tax on profit (continued)</b>		
<b>b) Reconciliation of tax charge / (credit)</b>		
The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in UK of 19.00% (2018: 19.08%).		
The differences are explained below:		
Profit before taxation	658,383	346,606
Tax at the applicable tax rate of 19.00% (2018: 19.08%)	125,093	66,132
<b>Tax effect of adjustments on taxable income</b>		
Fixed asset difference	763	813
Expenses not deductible for tax purposes other than goodwill, amortisation and impairments	114	3,810
Arising from prior period adjustments	(659)	-
Adjusted deferred tax to average rate	(13,260)	(7,729)
Deferred tax asset previously not recognised	-	(1,058,717)
<b>Total tax charge / (credit)</b>	<b>112,051</b>	<b>(995,691)</b>

**c) Tax rate changes**

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

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**Notes to the Financial Statements for the year ended 28 February 2019**

Figures in Pounds

**12. Intangible assets**

	2019			2018		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Trademarks	113,946	(92,778)	21,168	113,946	(82,445)	31,501
Goodwill	1,174,508	(1,174,508)	-	1,174,508	(1,174,508)	-
Development	1,129	(934)	195	1,129	(467)	662
<b>Total</b>	<b>1,289,583</b>	<b>(1,268,220)</b>	<b>21,363</b>	<b>1,289,583</b>	<b>(1,257,420)</b>	<b>32,163</b>

**Reconciliation of intangible assets - 2019**

	Opening balance	Disposals	Amortisation	Closing balance
Trademarks	31,501	-	(10,333)	21,168
Development	662	-	(467)	195
	<b>32,163</b>	<b>-</b>	<b>(10,800)</b>	<b>21,363</b>

**Reconciliation of intangible assets - 2018**

	Opening balance	Disposals	Amortisation	Closing balance
Trademarks	47,138	(2,975)	(12,662)	31,501
Development	1,129	-	(467)	662
	<b>48,267</b>	<b>(2,975)</b>	<b>(13,129)</b>	<b>32,163</b>

During the financial year intangible assets with carrying value of £nil were disposed for an amount of £50,000 (2018 carrying value £2,975 for amount of £nil).

**13. Tangible assets**

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	59,816	(45,149)	14,667	47,534	(39,911)	7,623

**Reconciliation of tangible assets - 2019**

	Opening balance	Additions	Depreciation	Closing balance
Plant and machinery	7,623	12,283	(5,239)	14,667

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**Notes to the Financial Statements for the year ended 28 February 2019**

Figures in Pounds

**13. Tangible assets (continued)**

**Reconciliation of tangible assets - 2018**

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	23,297	10,041	(8,582)	(17,133)	7,623

A fixed and floating charge is held over the company's tangible assets.

**14. Deferred tax**

**Deferred tax asset**

Property plant and equipment	48,494	61,817
Tax losses carried forward	835,146	933,874
	<b>883,640</b>	<b>995,691</b>

**Reconciliation of deferred tax asset**

At beginning of year	995,691	-
Deferred tax (charged) / credited to Statement of comprehensive income	(112,051)	995,691
	<b>883,640</b>	<b>995,691</b>

**15. Inventories**

Raw materials and consumables	315,030	385,755
Finished goods and goods for resale	889,757	1,235,025
	1,204,787	1,620,780
Provision for impairment	(17,878)	(166,661)
	<b>1,186,909</b>	<b>1,454,119</b>

There is no significant difference between the replacement cost of the inventory and its carrying amount.

**16. Trade and other receivables**

Trade debtors	2,099,752	1,539,389
Impairment of trade debtors	(11,523)	(12,189)
Net trade debtors after impairments	2,088,229	1,527,200
Other receivables	21,508	15,753
Other taxation and social securities	169,814	131,120
Prepayments and accrued income	27,038	42,820
	<b>2,306,589</b>	<b>1,716,893</b>

The bad debt expense recognised in the Statement of comprehensive income for the year was £nil (2018: £17,372).

Included in trade debtors is an amount of £1,720,434 (2018: £1,001,228) which is provided as security for an invoice discounting facility as indicated in note 18.



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**Notes to the Financial Statements for the year ended 28 February 2019**

	2019 £	2018 £
<b>17. Cash and cash equivalents</b>		
Cash in hand	4,215	4,012
Cash at bank	347,141	356,002
	<b>351,356</b>	<b>360,014</b>
<b>18. Trade and other payables</b>		
Invoice discounting	1,376,347	800,982
Trade creditors	555,665	441,112
Amounts owed to group undertakings*	2,459,824	3,533,264
Taxation and social security	18,484	6,774
Other payables	4,086	18,027
Accrued and deferred income	168,632	131,190
	<b>4,583,038</b>	<b>4,931,349</b>
<p>*: Amounts owed to group undertakings accrued interest on balances outstanding more than 60 days after statement date. The interest rate applicable is 12 Month LIBOR +5% and there is no fixed term of repayment.  erander  The discounting facility of Bibby Financial Services Ltd is secured by the invoices which the facility relates to as well as a fixed and floating charge held over the company's tangible assets.</p> <p>Personal guarantee and indemnity from the directors of the company provided as security for the invoice discounting facility.</p>		
<b>19. Reserves</b>		
<b>Capital redemption reserve</b>		
Capital redemption reserve is a non-distributable reserve and represents paid up share capital.		
<b>Retained earnings / (accumulated losses)</b>		
Profit or loss account includes all current and prior year retained profits or accumulated losses.		
<b>Retained earnings / (accumulated losses)</b>		
Opening balance	(429,847)	(1,772,144)
Profit for the financial year	546,332	1,342,297
<b>Closing balance</b>	<b>116,485</b>	<b>(429,847)</b>
<b>20. Called up share capital</b>		
<b>Allotted called up and fully paid up</b>		
4 (2018: 4) Ordinary shares of £0.25 each	1	1
<b>Reconciliation of number of shares issued:</b>		
At the beginning of the year	4	4
At end of year	4	4

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**Notes to the Financial Statements for the year ended 28 February 2019**

	2019 £	2018 £
<b>21. Commitments</b>		
<b>Authorised capital expenditure</b>		
There were no capital commitments at year end. (2018: no commitments).		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	13,625	9,500
- in second to fifth year inclusive	54,500	54,500
- later than five years	4,125	17,750
	<b>72,250</b>	<b>81,750</b>

Operating lease payments represents rentals payable by the company for its offices. The lease has a contractual term of six years beginning on 20 June 2018.

**22. Retirement benefits**

**Defined contribution plan**

The pension cost represents the contribution payable by the company to certain employee's personal pension schemes. Contributions of £3,719 were unpaid at year-end (2018: £2,450) and were included in other payables in note 18.

**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 FRS102.

Vital Health Foods Proprietary Limited holds 98.54% of the share capital of Wassen Group Holdings Limited.

**Related party balances**

Amount due to Vital Health Foods Proprietary Limited	1,752,953	2,826,393
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**Related party transactions with Vital Health Foods Proprietary Limited**

Stock purchased	2,019,803	1,653,514
Interest paid	139,932	153,806
Management fees paid	299,170	212,625
Other expenses paid	203,892	266,131
Tangible assets sold		8,516

**Notes to the Financial Statements for the year ended 28 February 2019**

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**24. Ultimate parent undertaking and controlling party**

Wassen International Limited is owned 100% by Wassen Group Holdings Limited, both companies are registered in England and Wales. Wassen Group Holdings Limited is the parent company and smallest group to consolidate these financial statements. 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 Proprietary Limited by virtue of its majority shareholding in VHF Holdings Proprietary Limited, which in turn owns Vital Health Foods Proprietary Limited, which owns Natural Formulas Limited which then has a majority share in Wassen Group Holdings Limited. The largest group of financial statements which include this entity is that headed up by Infinitus Holdings Proprietary Limited.

Copies of the holding company's financial statements can be obtained from the head office of the group.

**25. Prior year adjustment**

**Classification of exceptional item**

In the financial statements for the year ended 28 February 2018, the stock write down was shown as a separate category on the face of the Statement of comprehensive income below gross profit. This was not in accordance with the Companies Act 2006, which would require stock write down to be included within the statutory heading of cost of sales. The prior year comparatives have been restated to reflect this correction. The prior year adjustment has resulted in the following:

- cost of sales has increased by £278,118;
- the stock write down category in 2018 has been moved above the gross profit line; and
- gross profit has reduced by £278,118.

This prior year adjustment has had no impact profit before tax or total shareholders funds as at 1 March 2017 or 28 February 2018.

**26. Categories of financial instruments**

Financial assets that are debt instruments measured at amortised cost	2019	2018
Trade and other receivables *	2,109,737	1,542,953
Financial liabilities measured at amortised cost		
Trade and other payables **	1,936,098	1,260,121
Amounts owed to group undertakings	2,459,824	3,533,264
	4,395,922	4,793,385

\*: excluding 'Prepayments and accrued income' and 'Other taxation and social securities (VAT)'. Refer to note 16.

\*\*: excluding 'taxation and social securities' and 'accrued and deferred income'. Refer to note 18.

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**Detailed Income Statement**

	Notes	2019 £	2018 £ Restated
<b>Turnover</b>			
Sales - United Kingdom		787,846	685,304
Sales - Europe		6,041,197	6,509,083
Sales - Rest of the world		1,116,947	192,130
	4	<b>7,945,990</b>	<b>7,386,517</b>
<b>Cost of sales</b>		<b>(4,855,539)</b>	<b>(4,752,874)</b>
<b>Gross profit</b>		<b>3,090,451</b>	<b>2,633,643</b>
Distribution costs		(300,806)	(277,435)
Administration expenses (Refer to page 28)		(1,890,249)	(1,753,541)
<b>Operating profit</b>	6	<b>899,396</b>	<b>602,667</b>
Interest payable and similar expenses	10	(241,013)	(256,061)
<b>Profit before taxation</b>		<b>658,383</b>	<b>346,606</b>
Income tax	11	(112,051)	995,691
<b>Profit for the year</b>		<b>546,332</b>	<b>1,342,297</b>

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**Detailed Income Statement**

	Notes	2019 £	2018 £
<b>Administration expenses</b>			
Advertising		(154,860)	(109,829)
Amortisation		(10,800)	(13,129)
Artwork and design		(3,938)	(7,883)
Auditors remuneration	7	(31,800)	(30,000)
Bad debts		-	(17,372)
Bank charges		7,069	(22,028)
Cleaning		(416)	(820)
Computer expenses		(15,748)	(16,764)
Consulting and professional fees		(271,111)	(412,266)
Depreciation		(5,239)	(17,133)
Difference on foreign exchange		(81,589)	(74,374)
Directors emoluments	9	(123,236)	-
Employee costs		(500,796)	(382,137)
Entertainment		(7,974)	(257)
Hotels, travel and subsistence		(94,612)	(121,461)
Insurance		(52,609)	(52,078)
Legal expenses		(37,699)	(54,744)
Light and heat		-	(1,509)
Management fee		(299,170)	(212,625)
Motor vehicle expenses		(6,796)	(4,977)
Postage		(638)	(2,305)
Printing and stationery		(1,414)	(2,356)
Printing plate expenses		(8,060)	(18,268)
Profit (loss) on disposal of assets		50,000	(2,975)
Recruitment fee		(28,150)	-
Rent - equipment		(161)	(2,371)
Rent - premises		(19,845)	(40,932)
Repairs and maintenance		(1,777)	-
Research and development costs		(91,695)	(34,777)
Staff national insurance		(46,158)	(19,235)
Staff pension cost - defined contribution		(27,510)	(14,996)
Staff welfare		-	(1,125)
Subscriptions		(20,808)	(15,257)
Sundry income (expense)		3,608	(39,345)
Telephone and fax		(6,317)	(6,573)
Training		-	(1,640)
		<b>(1,890,249)</b>	<b>(1,753,541)</b>