

Wassen International Limited  
(Registration number 01154116)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
for the year ended 29 February 2020



WEDNESDAY



\*J9DQLDAQ\*  
JNI 16/09/2020 #3  
COMPANIES HOUSE

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Index**

---

The reports and statements set out below comprise the annual report and financial statements presented to the shareholder:

	<b>Page</b>
Company information	2
Directors' report	3 - 5
Statement of directors' responsibilities in respect of the financial statements	6
Independent auditors' report to the members of Wassen International Limited	7 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 27

The following supplementary information does not form part of the annual report and financial statements and is unaudited:

Detailed Income Statement	28 - 29
---------------------------	---------

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Company information**

---

<b>Country of incorporation</b>	England
<b>Company registration number</b>	01154116
<b>Directors</b>	WJL Loubser AJ Williamson C Hallet
<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**

---

The directors present their annual report and the audited financial statements of the company for the year ended 29 February 2020. 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)**

---

**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 (2019: £ nil). The directors do not recommend the payment of a final dividend.

Profit for the year amounted to £ 598 422 (2019: £ 546 332).

**7. Post balance sheet events**

The current evolving Covid-19 outbreak, declared as a global pandemic in March 2020, is a fast-moving virus which presents major challenges for people and economies across the globe. There is significant uncertainty over the extent of the impact and longevity of the outbreak. It is considered by the company to be a non-adjusting event. Whilst this challenging environment impacts on the timing and volume of sales, the underlying demand remains.

The directors have reviewed forecasts for the company which have been updated for the expected impact of Covid-19 on trading and operating results remain in line with the director's revised expectations. The company has adequate resources to continue to operate as a going concern.

**8. Going concern**

The directors have considered the company's cash and net asset position, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering the period from 1 March 2020 to 30 August 2020 and taking into account the following:

- The banking facilities currently available and expected to be available to the company.

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 have 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.

**9. 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  
G Hallet

There have been no changes to the directorate for the year under review.

**10. 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.

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Directors' Report (Continued)**

---

**11. Disclosure of information to auditors**

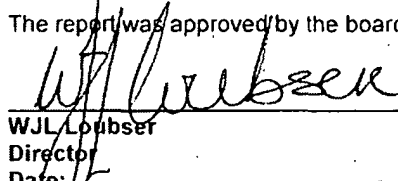
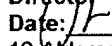
Each of the persons who is a director at the date of approval of this report confirms that:

- (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.

**12. 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 Loubser  
Director  
Date:   
10 Aldersgate Street  
London  
England  
EC1A 4HJ

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

#### **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).

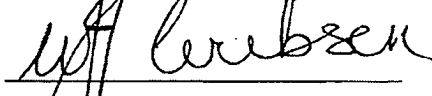
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required 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:



W.J. Leebser  
Director  
Date: \_\_\_\_\_

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**

---

#### **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 29 February 2020 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 29 February 2020; 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**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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.

---

#### **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.

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



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

### **Reporting on other information (continued)**

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 29 February 2020 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.

---

### **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.

---

## **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.

Wassen International Limited  
(Registration number 01154116)  
Annual Report and Financial Statements for the year ended 29 February 2020

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

---

### **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.

*Brenda Heenan*

Brenda Heenan (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Belfast  
30 July 2020

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Statement of Comprehensive Income for the year ended 29 February 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	4	8 394 184	7 945 990
<b>Cost of sales</b>			
- Cost of sales		(5 233 450)	(4 855 539)
<b>Gross profit</b>		<b>3 160 734</b>	<b>3 090 451</b>
Administrative expenses		(1 902 746)	(1 890 249)
Distribution costs		(344 394)	(300 806)
<b>Operating profit</b>	5	<b>913 594</b>	<b>899 396</b>
Interest payable and similar expenses	9	(191 618)	(241 013)
<b>Profit before taxation</b>		<b>721 976</b>	<b>658 383</b>
Tax on profit	10	(123 554)	(112 051)
<b>Profit for the financial year</b>		<b>598 422</b>	<b>546 332</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		<b>598 422</b>	<b>546 332</b>

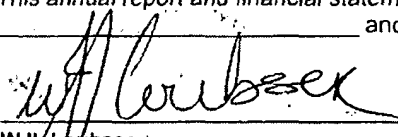
The company's results all relate to continuing operations.

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Statement of Financial Position as at 29 February 2020**

	Notes	2020 £	2019 £
<b>Non current assets</b>			
Intangible assets	11	11 170	21 363
Tangible assets	12	23 185	14 667
Deferred tax	13	760 086	883 640
		<u>794 441</u>	<u>919 670</u>
<b>Current assets</b>			
Inventories	14	1 185 898	1 186 909
Trade and other receivables	15	1 931 719	2 306 589
Cash and cash equivalents	16	121 984	351 356
		<u>3 239 601</u>	<u>3 844 854</u>
<b>Total assets</b>		<u>4 034 042</u>	<u>4 764 524</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	(3 254 134)	(4 583 038)
		<u>779 908</u>	<u>181 486</u>
<b>Net assets</b>		<u>779 908</u>	<u>181 486</u>
Called up share capital	19	1	1
Reserves		65 000	65 000
Retained earnings	18	714 907	116 485
<b>Total shareholders funds</b>		<u>779 908</u>	<u>181 486</u>

This annual report and financial statements on pages 10 to 27 were approved by the board of directors on \_\_\_\_\_ and were signed on their behalf by:

  
WJL Loubser  
Director  
Date: \_\_\_\_\_  
10 Aldersgate Street  
London  
England  
EC1A 4HJ

Wassen International Limited  
(Registration number 01154116)

Annual Report And Financial Statements for the year ended 29 February 2020

**Statement of Changes in Equity for the year ended 29 February 2020**

	Called up Share capital	Capital redemption reserve	(Accumulated losses) retained earnings	Total equity
	£	£	£	£
<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 01 March 2019</b>	<b>1</b>	<b>65 000</b>	<b>116 485</b>	<b>181 486</b>
Profit for the financial year	-	-	598 422	598 422
<b>Balance at 29 February 2020</b>	<b>1</b>	<b>65 000</b>	<b>714 907</b>	<b>779 908</b>

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Notes to the Financial Statements for the year ended 29 February 2020**

Figures in Pounds	2020	2019
-------------------	------	------

**Notes to the Financial Statements for the year ended 29 February 2020**

**1. General Information**

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

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 29 February 2020 and these financial statements may be obtained from 10 Aldersgate Street, London, EC1A 4H.

**3. Accounting policies (continued)**

**Going concern**

The directors have considered the company's cash and net asset position, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering the period from 1 March 2020 to 30 August 2020 and taking into account the following:

- The banking facilities currently available and expected to be available to the company.

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 have 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.

**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.

**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.



**Notes to the Financial Statements for the year ended 29 February 2020**

---

**3. Accounting policies (continued)**

**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.

**(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.

**Notes to the Financial Statements for the year ended 29 February 2020**

---

**3. Accounting policies (continued)**

*(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
---------------------	--------------------

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.

**Notes to the Financial Statements for the year ended 29 February 2020**

---

**3. Accounting policies (continued)**

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.

*(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.

**Notes to the Financial Statements for the year ended 29 February 2020**

---

**3. Accounting policies (continued)**

**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.

**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.

**Notes to the Financial Statements for the year ended 29 February 2020**

---

**3. Accounting policies (continued)**

**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.

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Notes to the Financial Statements for the year ended 29 February 2020**

Figures in Pounds	2020	2019
<b>4. Turnover</b>		
<b>Turnover - by destination</b>		
Sales - United Kingdom	860 373	787 846
Sales - Europe	5 308 071	6 041 197
Sales - Rest of the world	2 225 740	1 116 947
	<b>8 394 184</b>	<b>7 945 990</b>

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

**5. Operating profit**

Operating profit for the year is stated after charging (crediting):

<b>Operating lease charges</b>		
• Premises	16 334	19 845
• Equipment	-	161
	<b>16 334</b>	<b>20 006</b>
Amortisation of intangible assets	10 193	10 800
Bad debts	68 090	-
Depreciation of tangible assets	6 871	5 239
Employee costs	658 298	697 700
Exchange differences	71 181	81 589
Legal expenses	25 014	37 699
Profit on disposal of assets	-	(50 000)
Movement on stock provision	(4 526)	(148 784)
Purchases	5 237 976	5 004 323
Research and development costs	58 262	91 695

**6. Auditors' remuneration**

Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	32 000	31 800
--	--------	--------

**7. Employees**

Wages and salaries	574 634	624 032
Social security costs	51 567	46 158
Other pension costs	32 097	27 510
	<b>658 298</b>	<b>697 700</b>

The average monthly number of administrative employees, including the directors, during the year was 13 (2019: 11).

Key management compensation for group amounted to £122,708 (2019: £123,236).

**Notes to the Financial Statements for the year ended 29 February 2020**

Figures in Pounds	2020	2019
-------------------	------	------

**8. Directors' emoluments**

Emoluments of £122,708 (2019: £123,236) 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 (2019: one) 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 £9,774 (2019: £8,800).

During the year total compensation paid to directors for loss of office was £nil (2019: £nil).

**9. Interest payable and similar expenses**

Bank interest payable	(10)	(282)
Interest payable to group companies	92,956	139,933
CID* interest payable	98,672	101,362
	<u>191,618</u>	<u>241,013</u>

\*Confidential invoice discounting

**10. Tax on profit**

**a) Tax expense included in profit or loss**

**Current**

Corporation tax - current year

**Deferred**

Originating and reversing temporary differences  
Arising from prior period adjustments

**Total tax charge**

123,554      112,710  
-      (659)

123,554      112,051

**b) Reconciliation of tax charge**

The differences are explained below:

Profit before taxation      721,976      658,383

Tax at the applicable tax rate of 19.00% (2019: 19.00%)      137,175      125,093

**Tax effect of adjustments on taxable income**

Fixed asset difference      914      763  
Expenses not deductible for tax purposes other than goodwill,  
amortisation and impairments      -      114

Arising from prior period adjustments      -      (659)

Adjusted deferred tax to average rate      (14,535)      (13,260)

Total tax charge      123,554      112,051

## Notes to the Financial Statements for the year ended 29 February 2020

Figures in Pounds

### 11. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Trademarks	113 946	(102 776)	11 170	113 946	(92 778)	21 168
Goodwill	1 174 508	(1 174 508)	-	1 174 508	(1 174 508)	-
Development	1 129	(1 129)	-	1 129	(934)	195
<b>Total</b>	<b>1 289 583</b>	<b>(1 278 413)</b>	<b>11 170</b>	<b>1 289 583</b>	<b>(1 268 220)</b>	<b>21 363</b>

#### Reconciliation of intangible assets - 2020

	Opening balance	Disposals	Amortisation	Closing balance
Trademarks	21 168	-	(9 998)	11 170
Development	195	-	(195)	-
	<b>21 363</b>	<b>-</b>	<b>(10 193)</b>	<b>11 170</b>

#### Reconciliation of intangible assets - 2019

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

No intangible assets were disposed of in the current financial year (2019 carrying value £nil for amount of £50 000).

### 12. Tangible assets

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	75 206	(52 021)	23 185	59 816	(45 149)	14 667

#### Reconciliation of tangible assets - 2020

	Opening balance	Additions	Depreciation	Closing balance
Plant and machinery	14 667	15 389	(6 871)	23 185

#### Reconciliation of tangible assets - 2019

	Opening balance	Additions	Depreciation	Closing balance
--	-----------------	-----------	--------------	-----------------



## Notes to the Financial Statements for the year ended 29 February 2020

Figures in Pounds

### 12. Tangible assets (continued)

Plant and machinery	7 623	12 283	(5 239)	14 667
---------------------	-------	--------	---------	--------

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

### 13. Deferred tax

#### Deferred tax asset

Property plant and equipment	38 983	48 494
Tax losses carried forward	721 103	835 146
	<u>760 086</u>	<u>883 640</u>

#### Reconciliation of deferred tax asset

At beginning of year	883 640	995 691
Deferred tax charged to Statement of Comprehensive Income	(123 554)	(112 051)
	<u>760 086</u>	<u>883 640</u>

### 14. Inventories

Raw materials and consumables	245 913	315 030
Finished goods and goods for resale	953 336	889 757
	<u>1 199 249</u>	<u>1 204 787</u>
Provision for impairment	(13 351)	(17 878)
	<u>1 185 898</u>	<u>1 186 909</u>

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

### 15. Trade and other receivables

Trade debtors	1 891 901	2 099 752
Impairment of trade debtors	(77 535)	(11 523)
Net trade debtors after impairments	<u>1 814 366</u>	<u>2 088 229</u>
Other receivables	34 392	21 508
Taxation and social securities	53 574	169 814
Prepayments and accrued income	29 387	27 038
	<u>1 931 719</u>	<u>2 306 589</u>

The bad debt expense recognised in the Statement of comprehensive income for the year was £68,090 (2019: £nil).

Included in trade debtors is an amount of £1,368,899 (2019: £1,720,434) which is provided as security for an invoice discounting facility as indicated in note 17.

### 16. Cash and cash equivalents

Cash in hand	3 768	4 215
Cash at bank	<u>118 216</u>	<u>347 141</u>

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

**Notes to the Financial Statements for the year ended 29 February 2020**

Figures in Pounds	2020	2019
<b>16. Cash and cash equivalents (continued)</b>	<b>121 984</b>	<b>351 356</b>
<b>17. Trade and other payables</b>		
Invoice discounting	1 095 119	1 376 347
Trade creditors	380 450	555 665
Amounts owed to group undertakings*	1 634 800	2 459 824
Taxation and social security	14 226	18 484
Other payables	5 719	4 086
Accruals and deferred income	123 820	168 632
	<b>3 254 134</b>	<b>4 583 038</b>

\* The loan between Wassen International Limited and Wassen Group Holdings Limited has no fixed repayment terms and accrue no interest. All other amounts owed to group undertakings accrue 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.

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.

Personal guarantee and indemnity from the directors of the company provided as security for the invoice discounting facility.

**18. Reserves**

**Capital redemption reserve**

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

**Retained earnings / (accumulated losses)**

Profit or loss account includes all current and prior year retained profits or accumulated losses.

**Retained earnings / (accumulated losses)**

Opening balance	116 485	(429 847)
Profit for the financial year	598 422	546 332
Closing balance	<b>714 907</b>	<b>116 485</b>

**19. Called up share capital**

**Allotted called up and fully paid up**

4 (2019: 4) Ordinary shares of £0.25 each	<b>1</b>	<b>1</b>
---	----------	----------

**Reconciliation of number of shares issued:**

At the beginning of the year	<b>4</b>	<b>4</b>
At end of year	<b>4</b>	<b>4</b>

**20. Commitments**

**Authorised capital expenditure**

Wassen International Limited  
(Registration number 01154116)  
Annual Report And Financial Statements for the year ended 29 February 2020

## Notes to the Financial Statements for the year ended 29 February 2020

Figures in Pounds	2020	2019
<b>20. Commitments (continued)</b>		
There were no capital commitments at year end. (2019: no commitments).		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	13 625	13 625
- in second to fifth year inclusive	44 281	54 500
- later than five years	719	4 125
	<b>58 625</b>	<b>72 250</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.

## 21. Retirement benefits

### Defined contribution plan

The pension cost represents the contribution payable by the company to certain employee's personal pension schemes. Contributions of £5,719 were unpaid at year-end (2019: £3,719) and were included in other payables in note 17.

## 22. 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	927 929	1 752 953
--	---------	-----------

### Related party transactions with Vital Health Foods Proprietary Limited

Stock purchased	2 018 763	2 019 803
Interest paid	92 956	139 932
Management fees paid	334 227	299 170
Other expenses paid	279 030	203 892

## 23. 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, the immediate parent, 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 Infinitus Holdings Proprietary Limited, the ultimate holding company, financial statements can be obtained from the head office of the group (Lavender Lane, Kuils River, 7580, South Africa).

## Notes to the Financial Statements for the year ended 29 February 2020

Figures in Pounds

### 24. Post balance sheet events

The current evolving Covid-19 outbreak, declared as a global pandemic in March 2020, is a fast-moving virus which presents major challenges for people and economies across the globe. There is significant uncertainty over the extent of the impact and longevity of the outbreak. It is considered by the company to be a non-adjusting event. Whilst this challenging environment impacts on the timing and volume of sales, the underlying demand remains.

The directors have reviewed forecasts for the company which have been updated for the expected impact of Covid-19 on trading and operating results remain in line with the director's revised expectations. The company has adequate resources to continue to operate as a going concern.

### 25. Categories of financial instruments

Financial assets that are debt instruments measured at amortised cost	2020	2019
Trade and other receivables *	1 848 758	2 109 737
Financial liabilities measured at amortised cost		
Trade and other payables **	1 481 288	1 936 098
Amounts owed to group undertakings	1 634 800	2 459 824
	<u>3 116 088</u>	<u>4 395 922</u>

\*: excluding 'Prepayments and accrued income' and 'Other taxation and social securities (VAT)'. Refer to note 15.

\*\*: excluding 'taxation and social securities' and 'accrued and deferred income'. Refer to note 17.