

Wassen International Limited  
(Registration number 01154116)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 28 February 2022

**Wassen International Limited**  
**(Registration number 01154116)**  
**Annual Report And Financial Statements for the year ended 28 February 2022**

**Index**

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

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**Wassen International Limited**  
**(Registration number 01154116)**  
**Annual Report And Financial Statements for the year ended 28 February 2022**

**Company information**

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<b>Country of Incorporation</b>	United Kingdom
<b>Company registration number</b>	01154116
<b>Directors</b>	WJL Loubser C Hallet
<b>Nature of business and principal activities</b>	Supply and marketing of fatty acid nutritional supplements
<b>Registered office</b>	11 Waterside Business Park Livingstone Road Hessle England HU13 0EG
<b>Holding company</b>	Wassen Group Holdings Limited incorporated in United Kingdom
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Merchant Square 20-22 Wellington Place Belfast BT1 6GE
<b>Banker</b>	HSBC 26 Broad Street Reading Berkshire RG1 2 BU
<b>Solicitors</b>	Boy Louw Incorporated 188 Main Road Paarl 7646

## 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 2022. 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 year 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. 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 (2021: £ nil). The directors do not recommend the payment of a final dividend.

Profit for the year amounted to £ 894 366 (2021: £ 844 989).

### 5. 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.

### 6. 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 12 months from the date of signing these financial statements and taking into account the following:

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

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 directors' revised expectations. There is significant uncertainty over the extent of the impact and longevity of the outbreak. The company has adequate resources to continue to operate as a going concern.

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.

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**Directors' Report (Continued)**

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**7. 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:

<b>Names</b>	<b>Changes</b>
WJL Loubser	
AJ Williamson	Resigned 28 February 2022
C Hallet	

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

**8. 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.

**9. 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.

**10. 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.

**11. Small companies exemption**

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.

**Directors' Report (Continued)**

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**12. Financial risk management**

The Company's operations expose them to a variety of financial risks that include price risk, foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Company has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the board of directors are implemented by the Company's finance department.

**Price risk**

The Company is not exposed to commodity or equity securities price risk as a result of their operations. The Directors will revisit the appropriateness of this policy should the Company's operations change significantly in size or nature.

**Foreign exchange risk**

While a significant percentage of the Company's revenues and expenses are denominated in Sterling, the Company are exposed to foreign exchange risk in the normal course of business, principally on sales and purchases in Euros, Canadian dollars and New Zealand dollars. Management of this risk is kept constantly under review and appropriate measures taken where required.

**Credit risk**

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the Board.

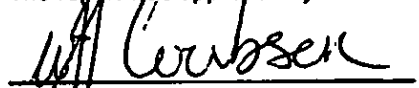
**Liquidity risk**

The Company actively maintains both short-term and long-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

**Interest rate risk**

The Company has interest bearing liabilities, which relate to bank loans and overdrafts. Debt is maintained at a variable rate.

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

  
W.J. Hubser  
Director  
Date: 27th July 2022  
11 Waterside Business Park  
Livingstone Road  
Hessle  
England  
HU13 0EG

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

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The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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).

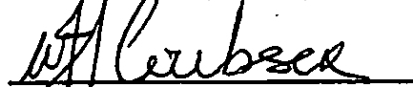
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- 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 it is inappropriate to presume that the company will continue in business.

The directors are 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 also 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: 27th July 2022

11 Waterside Business Park

Livingstone Road

Hessle

England

HU13 0EG

Wassen International Limited  
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Annual Report And Financial Statements for the year ended 28 February 2022

# 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 28 February 2022 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 2022; the Statement of Comprehensive Income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### 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.



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

## Reporting on other information (continued)

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.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2022 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates or significant judgements. Audit procedures performed by the engagement team included:

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Annual Report And Financial Statements for the year ended 28 February 2022

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

## Responsibilities for the financial statements and the audit (continued)

### Auditors' responsibilities for the audit of the financial statements (continued)

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Identification and testing of unusual journal entries; and
- Evaluation and, where appropriate, challenging assumptions and judgements made by management in determining significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.

### 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: prepare financial statements in accordance with the small companies regime; 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

29 July 2022

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**Statement of Comprehensive Income for the year ended 28 February 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	4	8 099 428	7 144 423
<b>Cost of sales</b>			
- Cost of sales		(5 025 991)	(4 190 885)
<b>Gross profit</b>		3 073 437	2 953 538
Administrative expenses		(1 713 898)	(1 604 439)
Distribution costs		(384 707)	(294 050)
<b>Operating profit</b>	5	974 832	1 055 049
Interest income	9	20 463	-
Interest expense	10	(84 937)	(120 299)
<b>Profit before taxation</b>		910 358	934 750
Tax on profit	11	(15 992)	(89 761)
<b>Profit for the financial year</b>		894 366	844 989
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		894 366	844 989


The company's results all relate to continuing operations.

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**Statement of Financial Position as at 28 February 2022**

	Notes	2022 £	2021 £
<b>Assets</b>			
<b>Non-Current Assets</b>			
Intangible assets	12	-	1 226
Property, plant and equipment	13	14 499	19 182
Deferred tax	14	654 333	670 325
		<u>668 832</u>	<u>690 733</u>
<b>Current Assets</b>			
Inventories	15	1 419 610	1 176 424
Trade and other receivables	16	2 709 575	2 061 276
Cash and cash equivalents	17	152 351	219 163
		<u>4 281 536</u>	<u>3 456 863</u>
<b>Total Assets</b>		<u>4 950 368</u>	<u>4 147 596</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Called up share capital	19	1	1
Reserves		65 000	65 000
Retained income	20	2 454 262	1 559 896
		<u>2 519 263</u>	<u>1 624 897</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	18	2 431 105	2 522 699
<b>Total Equity and Liabilities</b>		<u>4 950 368</u>	<u>4 147 596</u>

The annual report and financial statements and the notes on pages 3 to 28, were approved by the directors on the 27th July 2022 and were signed by:

  
W.J.L. Louwer  
Director  
Date: 27th July 2022  
11 Waterside Business Park  
Livingstone Road  
Hessle  
England  
HU13 0EG

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Annual Report And Financial Statements for the year ended 28 February 2022

**Statement of Changes in Equity for the year ended 28 February 2022**

	Called up Share capital	Capital redemption reserves	Retained earnings	Total equity
	£	£	£	£
<b>Balance at 01 March 2020</b>	<b>1</b>	<b>65 000</b>	<b>714 907</b>	<b>779 908</b>
Profit for the financial year	-	-	844 989	844 989
<b>Balance at 28 February 2021</b>	<b>1</b>	<b>65 000</b>	<b>1 559 896</b>	<b>1 624 897</b>
Profit for the financial year	-	-	894 366	894 366
<b>Balance at 28 February 2022</b>	<b>1</b>	<b>65 000</b>	<b>2 454 262</b>	<b>2 519 263</b>

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**Notes to the Financial Statements for the year ended 28 February 2022**

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**1. General Information**

The company is a private company limited by shares incorporated and 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 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. The financial year represents the year ended 28 February 2022 (2021: financial year ended 28 February 2021).

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

There are no new standards, amendment or interpretations that will have a material impact on the company.

**Exemptions for qualifying entities under FRS 102**

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 Vital Health Foods Proprietary Limited as at 28 February 2022 and these financial statements may be obtained from the head office of the group (Lavender Lane, Kuils River, 7580, South Africa).

**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 12 months from the date of signing these financial statements and taking into account the following:

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

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 directors' revised expectations. There is significant uncertainty over the extent of the impact and longevity of the outbreak. The company has adequate resources to continue to operate as a going concern.

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.

### **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.



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**Notes to the Financial Statements for the year ended 28 February 2022**

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**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% - 33% 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.

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**Notes to the Financial Statements for the year ended 28 February 2022**

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**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.

**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.

### **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 2022**

Figures in Pounds	2022	2021
<b>4. Turnover</b>		
<b>Turnover - by destination</b>		
Sales - United Kingdom	957 429	984 547
Sales - Europe	5 378 987	4 998 043
Sales - Rest of the world	1 763 012	1 161 833
	<b>8 099 428</b>	<b>7 144 423</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	17 460	16 484
• Equipment	1 777	-
	<b>19 237</b>	<b>16 484</b>
Amortisation of intangible assets	1 226	9 944
Bad debts (reversal)	-	(77 535)
Depreciation of tangible assets	9 283	8 805
Employee costs	618 602	629 023
Exchange differences	54 580	101 551
Legal expenses	21 788	23 105
Movement on stock provision	1 031	10 094
Purchases	5 024 960	4 180 791
Profit on disposal of assets	-	10 000
Research and development costs	69 493	36 459

**6. Auditors' remuneration**

Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	35 700	34 126
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Included in the audit fee is £4,000 (2021: £4,000) which was borne by Wassen International Limited on behalf of Wassen Group Holdings Limited.

**7. Employees**

Wages and salaries	553 139	556 418
Social security costs	37 071	43 388
Other pension costs	28 392	29 217
	<b>618 602</b>	<b>629 023</b>

The average monthly number of employees, including the directors, during the year was 14 (2021: 13).

Key management compensation for group amounted to £136 367 (2021: £132 380).

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**Notes to the Financial Statements for the year ended 28 February 2022**

Figures in Pounds	2022	2021
<b>8. Directors' emoluments</b>		
Emoluments of £136 367 (2021: £132 380) 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 (2021: 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 £9,294 (2021: £9,954).		
<b>9. Interest income</b>		
Bank interest income	20 463	-
<b>10. Interest expense</b>		
Bank interest expense	-	(93)
Interest expense to group companies	-	38 911
CID* interest expense	84 937	81 481
	<u>84 937</u>	<u>120 299</u>
* Confidential invoice discounting		
<b>11. Tax on profit</b>		
<b>a) Tax expense included in profit or loss</b>		
<b>Current</b>		
Corporation tax - current year	-	-
<b>Deferred</b>		
Originating and reversing temporary differences	227 367	179 183
Effect of tax rate change on opening balance	(211 608)	(89 422)
Arising from prior period adjustments	233	-
<b>Total tax charge</b>	<u>15 992</u>	<u>89 761</u>
<b>b) Reconciliation of tax charge</b>		
The differences are explained below:		
Profit before taxation	910 358	934 750
Tax at the applicable tax rate of 19.00% (2021: 19.00%)	172 968	177 603
<b>Tax effect of adjustments on taxable income</b>		
Fixed asset differences	(262)	1 508
Expenses not deductible for tax purposes	93	72
Arising from prior period adjustments	233	-
Remeasurement of deferred tax for changes in tax rates	(157 040)	(89 422)
<b>Total tax charge</b>	<u>15 992</u>	<u>89 761</u>

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**Notes to the Financial Statements for the year ended 28 February 2022**

Figures in Pounds	2022	2021
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**11. Tax on profit (continued)**

**c) Tax rate changes**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements

**12. Intangible assets**

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademarks	113 946	(113 946)	-	113 946	(112 720)	1 226
Goodwill	1 174 508	(1 174 508)	-	1 174 508	(1 174 508)	-
Development	1 129	(1 129)	-	1 129	(1 129)	-
<b>Total</b>	<b>1 289 583</b>	<b>(1 289 583)</b>	<b>-</b>	<b>1 289 583</b>	<b>(1 288 357)</b>	<b>1 226</b>

**Reconciliation of Intangible assets - 2022**

	Opening balance	Amortisation	Closing balance
Trademarks	1 226	(1 226)	-

**Reconciliation of Intangible assets - 2021**

	Opening balance	Amortisation	Closing balance
Trademarks	11 170	(9 944)	1 226

No intangible assets were disposed of in the current financial year (2021 : no disposals of intangible assets).

**13. Property, plant and equipment**

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	84 607	(70 108)	14 499	80 007	(60 825)	19 182
<b>Total</b>	<b>84 607</b>	<b>(70 108)</b>	<b>14 499</b>	<b>80 007</b>	<b>(60 825)</b>	<b>19 182</b>

**Reconciliation of property, plant and equipment - 2022**

	Opening balance	Additions	Depreciation	Closing balance
Plant and machinery	19 182	4 600	(9 283)	14 499

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**Notes to the Financial Statements for the year ended 28 February 2022**

Figures in Pounds	2022	2021
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**13. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2021**

	Opening balance	Additions	Depreciation	Closing balance
Plant and machinery	23 185	4 802	(8 805)	19 182

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

**14. Deferred tax**

**Deferred tax asset**

Property plant and equipment	39 835	36 093
Tax losses carried forward	614 498	634 232
	<u>654 333</u>	<u>670 325</u>

**Reconciliation of deferred tax asset**

At beginning of year	670 325	760 086
Deferred tax charged to Statement of Comprehensive Income	(15 992)	(89 761)
	<u>654 333</u>	<u>670 325</u>

**15. Inventories**

Raw materials and consumables	1 127 647	1 036 959
Finished goods and goods for resale	316 439	162 910
	<u>1 444 086</u>	<u>1 199 869</u>
Provision for impairment	(24 476)	(23 445)
	<u>1 419 610</u>	<u>1 176 424</u>

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

**16. Trade and other receivables**

Trade debtors	2 544 554	1 939 390
Amounts owed by group undertakings	4 219	2 922
Other receivables	500	6 500
Taxation and social securities	102 747	83 624
Prepayments and accrued income	57 555	28 840
	<u>2 709 575</u>	<u>2 061 276</u>

The bad debt expense recognised in the Statement of comprehensive income for the year was £nil (2021: £nil).

Included in trade debtors is an amount of £927,328 (2021: £1,133,496) 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 2022**

Figures in Pounds	2022	2021
<b>17. Cash and cash equivalents</b>		
Cash at bank	152 351	219 163
<b>18. Trade and other payables</b>		
Invoice discounting	788 229	963 472
Trade creditors	520 084	520 868
Amounts owed to group undertakings*	949 473	862 490
Taxation and social security	11 315	12 398
Other payables	6 288	5 685
Accruals and deferred income	155 716	157 788
	<b>2 431 105</b>	<b>2 522 699</b>

\* The loan between Wassen International Limited and Wassen Group Holdings Limited has no fixed repayment terms, unsecured and accrue no interest. All other amounts owed to group undertakings accrue interest on balances outstanding more than 60 days after statement date and is unsecured. 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.

**19. Called up share capital**

<b>Allotted called up and fully paid up</b>		
4 (2021: 4) Ordinary shares of £0.25 each (2021: £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 2022**

Figures In Pounds	2022	2021
<b>20. Reserves</b>		
<b>Capital redemption reserve</b>		
Capital redemption reserve is a non-distributable reserve and represents paid up share capital.		
<b>Retained earnings</b>		
Profit or loss account includes all current and prior year retained profits or accumulated losses.		
<b>Retained earnings</b>		
Opening balance	1 559 896	714 907
Profit for the financial year	894 366	844 989
<b>Closing balance</b>	<b>2 454 262</b>	<b>1 559 896</b>

**21. Commitments**

**Authorised capital expenditure**

There were no capital commitments at year end. (2021: no commitments).

**Operating leases – as lessee (expense)**

<b>Minimum lease payments due</b>		
- within one year	13 625	13 625
- in second to fifth year inclusive	17 750	31 375
	<b>31 375</b>	<b>45 000</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 £6,288 were unpaid at year-end (2021: £5,685) and were included in other payables in note 18.

**23. Related party transactions**

The company has availed of the exemption under FRS102 Section 33.1A in relation to the disclosure of transactions with group companies as all voting rights are controlled within the group.

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**Notes to the Financial Statements for the year ended 28 February 2022**

Figures in Pounds	2022	2021
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**24. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Wassen Group Holdings Limited, both companies are registered in England and Wales.

The ultimate parent undertaking is Vital Health Foods Proprietary Limited.

The smallest and largest group of consolidated financial statements which include this entity is headed up by Vital Health Foods Proprietary Limited. Copies of Vital Health Foods Proprietary Limited consolidated financial statements can be obtained from the head office of the group (Lavender Lane, Kuils River, 7580, South Africa).

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.

**25. 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.

**26. Categories of financial instruments**

**Financial assets that are debt instruments measured at amortised cost**

Trade and other receivables *	2 549 273	1 948 812
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\* excluding 'Prepayments and accrued income' and 'Other taxation and social securities (VAT)'. Refer to note 16.

**Financial liabilities measured at amortised cost**

Trade and other payables **	1 314 601	1 490 023
Amounts owed to group undertakings	949 473	862 490
	<u>2 264 074</u>	<u>2 352 513</u>

\*\* excluding 'taxation and social security' and 'accruals and deferred income'. Refer to note 18.