

MILI HEALTHCARE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

MILI HEALTHCARE LIMITED

COMPANY INFORMATION

Director	S Hickson
Registered number	04303458
Registered office	Fairfax House 15 Fulwood Place London WC1V 6AY
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The director presents his report and the financial statements for the year ended 31 December 2020.

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company specialises in creating and implementing projects on the search and introduction of new opportunities in medicine and pharmaceuticals industry making the most out of the worldwide achievements of the modern science and technology, chosen in accordance with the healthcare and consumer's needs.

The Company manufactures its products on a contractual basis involving the globally renowned manufacturers (manufacturing sites): Venus Remedies, Mepro Pharmaceuticals, Windlas Healthcare, Lallemand Pharma International, etc.

The Company maintains a centralised management of production and distribution of the healthcare system's products, including medicinal products and dietary supplements, medical devices, medical equipment, medicines, etc.

The functions of the last stage of the value-adding chain (direct distribution of products) are performed by the full-line distributors to which the Company supplies its pharmaceutical products. The contracts for the pharmaceutical products' supply, including the delivery into the territory of Ukraine, are concluded directly by the Company.

Information on the Company's Representative Office in Ukraine

The Representative Office is a separate structural division of Mili Healthcare Limited (the resident of the United Kingdom of Great Britain and Northern Ireland). The Representative Office is not a legal entity; it carries out the economic activities in the name and on behalf of the Company. The Representative Office was registered by the Ministry of Economy and European Integration of Ukraine on March 14, 2002, its registration number is PI-2906.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Description of the activity of the Company's Representative Office in Ukraine

The Representative Office carries out business activities in the name and on behalf of the Company. The Representative Office performs its functions in accordance with the legislation of Ukraine. The legal status, main tasks, functions and rights of the Representative Office are determined by the Representatives Capacity and the Power of Attorney issued annually by the Company to the Director of the Representative Office.

The main activity of the Representative Office is collection and provision of information on the medicinal products supplied by the Company to Ukraine and, in particular, the medical representation and pharmacovigilance activities. The activity of the Representative Office is financed by the Company by providing it with the special-purpose financing.

The Representative Office is not directly involved in the development and distribution of the medicinal products and performs only the limited functions related to the medical representation, providing the information on the medicinal products, and pharmacovigilance.

Results and dividends

The profit for the year, after taxation, amounted to \$538,571 (2019 - \$509,172).

No dividends have been paid during the year (2019: \$Nil).

Director

The director who served during the year was:

S Hickson

Going concern

Despite the general economic uncertainty caused by the Covid-19 pandemic, the key products sold by the Company showed growth in terms of market share in 2020.

In addition, some medicines in the Company's portfolio (Sulbactamax, Respibron, Ismezhen, Lactovit Forte) are applicable in the treatment of patients with Covid-19 and therefore demand for these products is expected to remain stable and possibly grow over the next 12 months.

As a result of the above the Company's cashflow forecasts show it will be able to pay its liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements and therefore it is considered appropriate to prepare the financial statements on a going concern basis.

Future developments

Financial results of the recent years prove the positive trend in Company's business development.

The key products (Vormil, Lactovit and Sulbactamax) are showing sustainable growth in sales and these items are expected to be the key drivers for increase of the Company's market share in the following years.

The Company is taking steps to improve its position on the market by upgrading the pricing policy, enhancing the advertising campaign and implementing new approaches to product and sales management.

In the foreseeable future the Company expects to gain positive results and maintain fluent financial position.

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

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

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on 20 December 2021 and signed on its behalf.

S Hickson
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILI HEALTHCARE LIMITED

Opinion

We have audited the financial statements of Mili Healthcare Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILI HEALTHCARE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILI HEALTHCARE LIMITED (CONTINUED)

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 regulatory requirements for pharmaceutical businesses, including local customs regulations in Ukraine governing the distribution of pharmaceutical products, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, income tax, payroll tax and sales tax.

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 incorrect cut-off of revenue and management bias in accounting estimates such as stock provisions. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals;
- reviewing the cut-off of revenue either side of the year-end to ensure correct recognition within the appropriate financial year; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILI HEALTHCARE LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Cliffe (Senior Statutory Auditor)

for and on behalf of

Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

20 December 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
Turnover	11,610,242	9,949,007
Cost of sales	(3,916,372)	(3,155,631)
Gross profit	<u>7,693,870</u>	<u>6,793,376</u>
Distribution costs	(5,352,195)	(4,381,227)
Administrative expenses	(1,661,847)	(1,738,488)
Operating profit	<u>679,828</u>	<u>673,661</u>
Profit before tax	<u>679,828</u>	<u>673,661</u>
Tax on profit	(141,257)	(164,489)
Profit for the financial year	<u><u>538,571</u></u>	<u><u>509,172</u></u>

There was no other comprehensive income for 2020 (2019:\$NIL).

The notes on pages 11 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Fixed assets			
Tangible assets	5	10,164	8,408
		<u>10,164</u>	<u>8,408</u>
Current assets			
Stocks	6	767,371	347,479
Debtors: amounts falling due within one year	7	5,242,705	4,801,881
Cash at bank and in hand	8	1,557,314	359,337
		<u>7,567,390</u>	<u>5,508,697</u>
Creditors: amounts falling due within one year	9	(4,861,317)	(3,339,439)
Net current assets		<u>2,706,073</u>	<u>2,169,258</u>
Net assets		<u><u>2,716,237</u></u>	<u><u>2,177,666</u></u>
Capital and reserves			
Called up share capital		3,322	3,322
Share premium account		772,053	772,053
Profit and loss account		1,940,862	1,402,291
		<u><u>2,716,237</u></u>	<u><u>2,177,666</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2021.

S Hickson
Director

The notes on pages 11 to 18 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 \$	2019 \$
Cash flows from operating activities		
Profit for the financial year	538,571	509,172
Adjustments for:		
Depreciation of tangible assets	3,121	1,725
Taxation charge	141,257	164,489
(Increase) in stocks	(419,892)	(125,697)
(Increase)/decrease in debtors	(492,429)	391,293
Increase/(decrease) in creditors	1,469,824	(626,834)
Corporation tax (paid)	(37,598)	(24,924)
Net cash generated from operating activities	<u>1,202,854</u>	<u>289,224</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,877)	(7,563)
Net cash from investing activities	<u>(4,877)</u>	<u>(7,563)</u>
Net increase in cash and cash equivalents	<u>1,197,977</u>	<u>281,661</u>
Cash and cash equivalents at beginning of year	<u>359,337</u>	<u>77,676</u>
Cash and cash equivalents at the end of year	<u><u>1,557,314</u></u>	<u><u>359,337</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>1,557,314</u></u>	<u><u>359,337</u></u>

The notes on pages 11 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Mili Healthcare Limited is a legal entity registered and operating under the laws of the United Kingdom of Great Britain and Northern Ireland (registration number: 04303458). It is a private company, limited by share capital, incorporated and domiciled in England and Wales. The registered office is: Fairfax House, 15 Fulwood Place, London, WC1V 6AY.

The principal activity of the Company is the centralised management and distribution of the healthcare system's products, including medicinal products and dietary supplements, medical devices, medical equipment and medicines.

The Company has its Representative Office at 33 Tarasa Shevchenka Boulevard, Kiev, Ukraine, which is a separate structural division of Mili Healthcare Limited (the resident of the United Kingdom of Great Britain and Northern Ireland). The Representative Office is not a legal entity; it carries out the economic activities in the name of and on behalf of the Company. The Representative Office was registered by the Ministry of Economy and European Integration of Ukraine on March 14, 2002, its registration number is PI- 2906.

The main activity of the Representative Office is collection and provision of information on the medicinal products supplied by the Company to Ukraine and, in particular, the medical representation and pharmacovigilance activities. The activity of the Representative Office is financed by the Company by providing it with the special-purpose financing.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Despite the general economic uncertainty caused by the Covid-19 pandemic, the key products sold by the Company showed growth in terms of market share in 2020.

In addition, some medicines in the Company's portfolio (Sulbactamax, Respibron, Ismezhen, Lactovit Forte) are applicable in the treatment of patients with Covid-19 and therefore demand for these products is expected to remain stable and possibly grow over the next 12 months.

As a result of the above the Company's cashflow forecasts show it will be able to pay its liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements and therefore it is considered appropriate to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Turnover

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

Sale of goods

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

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.

The estimated useful lives range as follows:

Computer equipment	-
	Over 3 years

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 profit or loss.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Stocks

Stocks are 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 basis. Work in progress and finished goods include labour and attributable overheads.

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

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Financial instruments (continued)

are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

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

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

2.10 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.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled \$37,833 (2019 - \$36,233).

4. Employees

The average monthly number of employees, including directors, during the year was 64 (2019 - 72).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Tangible fixed assets

	Computer equipment \$
Cost or valuation	
At 1 January 2020	116,259
Additions	4,877
At 31 December 2020	<u>121,136</u>
Depreciation	
At 1 January 2020	107,851
Charge for the year on owned assets	3,121
At 31 December 2020	<u>110,972</u>
Net book value	
At 31 December 2020	<u>10,164</u>
At 31 December 2019	<u>8,408</u>

6. Stocks

	2020 \$	2019 \$
Finished goods and goods for resale	<u>767,371</u>	<u>347,479</u>

7. Debtors

	2020 \$	2019 \$
Trade debtors	4,601,290	4,506,515
Other debtors	458,485	39,422
Prepayments and accrued income	172,273	193,683
Deferred taxation	10,657	62,261
	<u>5,242,705</u>	<u>4,801,881</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank and in hand	<u>1,557,314</u>	<u>359,337</u>

9. Creditors: Amounts falling due within one year

	2020 \$	2019 \$
Trade creditors	3,835,721	2,366,950
Corporation tax	82,177	30,121
Other creditors	1,018	-
Accruals and deferred income	942,401	942,368
	<u>4,861,317</u>	<u>3,339,439</u>

10. Deferred taxation

	2020 \$
At beginning of year	62,261
Charged to profit or loss	(51,604)
At end of year	<u>10,657</u>

The deferred tax asset is made up as follows:

	2020 \$	2019 \$
Depreciation in excess of capital allowances	10,657	16,607
Tax losses carried forward	-	45,654
	<u>10,657</u>	<u>62,261</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 \$	2019 \$
Land and buildings		
Not later than 1 year	110,722	12,371
Later than 1 year and not later than 5 years	120,003	-
	<u>230,725</u>	<u>12,371</u>
	2020 \$	2019 \$
Other		
Not later than 1 year	176,417	273,969
Later than 1 year and not later than 5 years	19,328	182,574
	<u>195,745</u>	<u>456,543</u>

12. Controlling party

The ultimate controlling party is O Lylovska.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.