

AMENDING

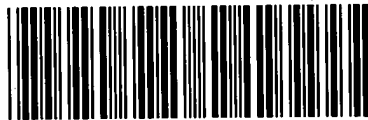
Registered number
06754584

Innovative International Group Ltd

Report and Accounts

31 March 2014

SATURDAY



A57FGQAB

A07

21/05/2016

#203

COMPANIES HOUSE

Innovative International Group Ltd
Report and accounts
Contents

	Page
Company information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Independent auditors' report	5
Consolidated profit and loss account	6
Consolidated statement of total recognised gains and losses	7
Consolidated balance sheet	8
Balance sheet	9
Consolidated cash flow statement	10
Notes to the accounts	11 - 26

Innovative International Group Ltd
Company Information

Directors

S K Stoyanov

Auditors

CK Partnership
1 Old Court Mews
311 Chase Road
London
N14 6JS

Registered office

262 Avondale House
Uxbridge Road
London
HA5 4HS

Registered number

06754584

Innovative International Group Ltd**Registered number:** 06754584**Directors' Report**

The directors present their report and accounts for the year ended 31 March 2014.

Principal activities

The company's principal activity during the year was that of a holding company. The company did not trade during the year. The principal activity of the subsidiary companies was that of offshore financial services.

Review of the business and future developments

The Board is pleased to report another year of good growth in revenue and profits of the Group. The Board looks to build further on the progress achieved across the group to date and will look to increase its client base and product offering in the year ahead.

Financial risk management policies & objectives

The Board of Directors is responsible for setting financial risk management policy and objectives, and approves the parameters within which the various aspects of financial risk management are operated. The group's principal financial instruments are cash, fund investments, client deposits. These financial instruments arise directly from the operations of the company. The group's policy is that no trading in financial instruments shall be undertaken for financing purposes.

Interest Rate Risk

The group has no external term debt. There is no bank overdraft facility, (2013; nil). The client deposits are recorded at the principal amount and are not subject to a separate interest charge. Any loans between group companies are interest free. Accordingly the company has no material exposure to interest rate risk.

Foreign Currency Risk

Both the functional and presentation currency of the company and group is Euro. Client deposits and fund investments are in Euro, United States Dollars, and Swiss Francs. The company hedges these currencies by holding assets in each currency that offset the liabilities for the same currency. Significant currency mismatches may be covered by forward rate agreements with registered banks based on management's cash flow expectations. Certain items of operating expenditure may be billed to the group companies in currencies other than the Euro and accordingly the group's profit and loss account can be affected by movements in the respective exchange rates. The company has not entered into any foreign exchange forward cover for the period under review.

Credit risk

All investors purchasing client deposits are required to remit funds prior to being allocated a deposit account. Accordingly the company incurs relatively little credit risk. Any customers to whom credit is granted will be subject to credit verification procedures. Receivable balances will be monitored on an ongoing basis with the result that the company's exposure to doubtful debts is not significant. The company's fund investments are managed and administered by banks. There are no significant concentrations of credit risk within the group.

Liquidity Risk

The company has no external borrowings. Any inter company loans have no fixed term of repayment. Therefore there is no significant exposure to liquidity risk in relation to borrowings. Client deposits are matched with fund investment assets in order to maintain sufficient liquid funds to meet its commitments based on historical and forecast cashflow needs.

Innovative International Group Ltd**Registered number:** 06754584**Directors' Report****Shareholder & market risk**

This is an investment where the Fund Investments (the underlying asset) is dependent on the value of the stocks purchased from time to time on the instructions from Fund Managers. The value of the underlying asset is subject to market fluctuations. The normal risks of a stock-based investment in companies listed on a stock exchange exist. This includes the risk stock prices will decline after the investment is made. This could result in some of the capital invested being lost at the time the investment is sold or on redemption at the end of the investment term. The value of client deposits is dependent on the value of the stocks that make up the underlying asset. The company monitors the liquidity of all invested funds held by the company and assesses the risks at least quarterly.

Exit risk

Client depositors are able to withdraw funds on any business trading day. Therefore exit risk is minimal.

Dividends

The directors do not recommend payment of a final dividend. (2013: nil)

Directors

The following persons served as directors during the year:

S K Stoyanov

Political and charitable donations

There were no political or charitable donations during the year.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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

Employment of disabled persons

It is the policy of the group to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Wherever possible,

This report was approved by the board on 10 May 2016 and signed on its behalf.

S K Stoyanov
Director

Innovative International Group Ltd

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Innovative International Group Ltd
Independent auditors' report
to the members of Innovative International Group Ltd

We have audited the accounts of Innovative International Group Ltd for the year ended 31 March 2014 which comprise the consolidated Profit and Loss Account, the consolidated and company Balance Sheets, the consolidated Cash Flow Statement, the consolidated Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

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

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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

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



Ravi Koppa
(Senior Statutory Auditor)
for and on behalf of
CK Partnership
Accountants and Statutory Auditors
10 May 2016

1 Old Court Mews
311 Chase Road
London

N14 6JS

Innovative International Group Ltd
Consolidated Profit and Loss Account
for the year ended 31 March 2014

	Notes	2014 Euro	2013 Euro
Turnover	3	12,854,799	11,657,991
Cost of sales		(3,496,850)	(1,685,799)
Gross profit		<u>9,357,949</u>	<u>9,972,192</u>
Administrative expenses		(8,290,880)	(9,543,381)
Other operating income		37,179	10
Operating profit	4	<u>1,104,248</u>	<u>428,821</u>
Income from investments		305	-
Interest receivable		18,154	8,117
Interest payable	6	(14,003)	(4,437)
Profit on ordinary activities before taxation		<u>1,108,704</u>	<u>432,501</u>
Tax on profit on ordinary activities	7	(330,519)	(222,528)
Profit for the financial year		<u>778,185</u>	<u>209,973</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Innovative International Group Ltd
Consolidated Statement of total recognised gains and losses
for the year ended 31 March 2014

	Notes	2014 Euro	2013 Euro
Profit for the financial year		778,185	209,973
Total recognised gains and losses related to the year		<u>778,185</u>	<u>209,973</u>

Innovative International Group Ltd
Consolidated Balance Sheet
as at 31 March 2014

	Notes	2014 Euro	2013 Euro
Fixed assets			
Intangible assets	8	10,184	7,237
Tangible assets	9	296,764	25,303
		<u>306,948</u>	<u>32,540</u>
Current assets			
Stocks	11	1,288,926	805,180
Debtors	12	429,681	127,088
Investments held as current assets	14	40,986,909	33,485,521
Cash at bank and in hand		<u>2,724,505</u>	<u>1,260,636</u>
		45,430,021	35,678,425
Creditors: amounts falling due within one year	15	(41,811,938)	(33,096,329)
Net current assets		<u>3,618,083</u>	<u>2,582,096</u>
Total assets less current liabilities		<u>3,925,031</u>	<u>2,614,636</u>
Creditors: amounts falling due after more than one year	18	(1,548,698)	(1,016,488)
Net assets		<u>2,376,333</u>	<u>1,598,148</u>
Capital and reserves			
Called up share capital	20	1,200,000	1,200,000
Other reserves	21	2,808	2,810
Profit and loss account	22	1,173,525	395,338
Shareholders' funds	23	<u>2,376,333</u>	<u>1,598,148</u>


S. R. Stoyanov

Director

Approved by the board on 10 May 2016

Innovative International Group Ltd
Company Balance Sheet
as at 31 March 2014

	Notes	2014 Euro	2013 Euro
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	-	-
Investments		10,000	10,000
		<u>10,000</u>	<u>10,000</u>
Current assets			
Stocks	11	-	-
Due from group undertakings	12	2,382,235	1,892,585
Debtors		-	-
Investments held as current assets	14	-	-
Cash at bank and in hand		-	15,826
		<u>2,382,235</u>	<u>1,908,411</u>
Creditors: amounts falling due within one year	15	(534,508)	(30,000)
Net current assets		<u>1,847,727</u>	<u>1,878,411</u>
Total assets less current liabilities		<u>1,857,727</u>	<u>1,888,411</u>
Creditors: amounts falling due after more than one year	18	(1,064,485)	(1,064,485)
Net assets		<u>793,242</u>	<u>823,926</u>
Capital and reserves			
Called up share capital	20	1,200,000	1,200,000
Profit and loss account	22	(406,758)	(376,074)
Shareholders' funds	23	<u>793,242</u>	<u>823,926</u>


S.K. Stoyanov
Director

Approved by the board on

10 May 2016

Innovative International Group Ltd
Cash Flow Statement
for the year ended 31 March 2014

	Notes	2014 Euro	2013 Euro
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,104,248	428,821
Depreciation and amortisation		14,800	10,950
Increase in stocks		(483,746)	(600,900)
Increase in debtors		(302,593)	(33,931)
Increase in creditors		8,740,235	16,558,800
Net cash inflow from operating activities		9,072,944	16,363,740
CASH FLOW STATEMENT			
Net cash inflow from operating activities		9,072,944	16,363,740
Returns on investments and servicing of finance	24	4,456	3,680
Taxation		(355,145)	89,655
Capital expenditure	24	(289,208)	(38,913)
		8,433,047	16,418,162
Management of liquid resources	24	(7,501,388)	(16,554,710)
Financing	24	532,210	(1,089,476)
Increase/(decrease) in cash		1,463,869	(1,226,024)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		1,463,869	(1,226,024)
(Increase)/decrease in debt and lease financing		(532,210)	1,089,476
Increase in liquid resources		7,501,388	16,554,710
Change in net debt	25	8,433,047	16,418,162
Net funds at 1 April		33,729,669	17,311,507
Net funds at 31 March		42,162,716	33,729,669

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention (except for Fund Investments measured at fair value) and in accordance with applicable United Kingdom Accounting Standards.

Basis of consolidation

The consolidated financial statements incorporate the accounts of Innovative International Group Ltd and all its subsidiary undertakings. The results of the subsidiary undertakings acquired or sold are consolidated for the periods from or to the date that control passed. Acquisitions are accounted for under the acquisition method.

Going concern

The group's business activities, key risks and financial performance are set out in the director's report. The director has an expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis in preparing the annual report and accounts has been adopted.

Statement of compliance

The financial statements of the Group comply with International Financial Reporting Standards (IFRS) as appropriate for profit oriented entities. The group had elected to early adopt IFRS 9 in the current reporting period. Its adoption has affected the disclosure of financial assets in the current and prior period and in accordance with the transitional provisions IFRS 9 has been applied currently and retrospectively. In accordance with IAS 39 financial assets were classified as either through fair value through the profit and loss, loans and receivables, available for sale or held to maturity as classified as either amortised cost or fair value on the basis of the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Leasehold land and buildings	over the lease term
Plant and machinery	over 5 years

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

Foreign currencies

Both the functional and presentation currency of the largest subsidiary in the Group (Innovative Securities Limited) is Euro. The majority of the company's transactions are undertaken in Euro. The company has therefore elected to use Euro as the most appropriate functional and presentational currency. Transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate in effect as the transaction date. Monetary items receivable or payable in a currency other than the functional currency, other than those resulting from short term transactions covered by forward exchange contracts are translated at balance sheet date at the closing rate. Exchange differences are recognised in the Statement of Comprehensive Income as income or expenditure. Comparative figures have been restated in the functional currency used in the current period.

Impairment of Current and Non-Current Assets

At each reporting date, the entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturity dates of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Cash held in trust for customers is not included in cash and cash equivalents as it is not available for use by the company. Bank overdrafts are shown within current liabilities.

Trade and Other receivables

Trade receivables are amounts due from investors for deposits collected in the ordinary course of business. Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Trade receivables are classified as current assets if collection is expected in one year or less, otherwise they are classified as non-current assets.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

Fund Investments

Fund investments fall into two categories:

Fund investments that are non-derivative financial assets with fixed or determinable payments that can be identified as interest and principal. Fund investments are initially recognised at cost, being the transaction price at acquisition date. After initial recognition, fund investments are classified as "amortised cost", are measured at amortised cost. Amortised cost is determined by reference to opening cost as acquisition date plus interest accrued at close of business on each trading day. Transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate in effect at the transaction date.

Fund investments that are non-derivative financial assets which are classified as "at fair value through the profit or loss" are measured at fair value. Realised and unrealised gains or losses on fund investments are recognised and separately disclosed as income or expenditure in the Profit and Loss account. Fair value is determined by reference to quoted market bid prices at close of business on each trading day in accordance with the prices quoted by the fund managers. Transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate in effect at the transaction date. Realised and unrealised impairment gains or losses on fund investments are recognised and separately disclosed as income or expenditure in the Profit and Loss account.

Fund investments are initially classified as "amortised cost" or "fair value through profit and loss" as they are acquired for a portfolio of investments that is managed and its performance is evaluated on an interest and principal basis or at fair value in accordance with a documented risk management and investment strategy. Fund investments are classified as current assets if maturity is less than one year from balance sheet date, otherwise they are classified as non-current assets.

Financial Assets

The group classifies its financial assets according to the management strategy for those assets. Financial assets classified as cash and cash equivalents are recognised at amortised cost using the effective interest rate method. Financial assets classified as fund investments are recognised at amortised cost or fair value through the profit and loss account. Financial assets include cash and cash equivalents, trade receivables and fund investments.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

Derivates and Hedge Accounting

The group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates. The company may use derivative financial instruments (interest rate swaps and foreign currency forward rate agreements) to hedge its risks associated with foreign currency and interest rate fluctuations relating to its multi-currency, floating interest client deposits. The significant interest rate risk and foreign currency risk arises from bank accounts and client deposits.

The use of financial derivatives is governed by the group's policies approved by the board of directors. The company does not use derivative financial instruments for speculative purposes. Derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are designed and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the profit and loss account. The hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the profit or loss in the same period in which the hedged item affects profit or loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period. Certain derivatives do not qualify for hedge accounting or hedge accounting has not been adopted. Changes in fair value of these derivative instruments are recognised immediately in the profit and loss for the period. At 31 March 2014 there were no derivative financial instruments held by the company nor were any undertaken during the period (2013: none)

Client deposits

Client deposits represent the original principal amount deposited by investors plus interest and gains or losses made by the investment funds and allocated to the client account. The amount invested are used by the company to purchase Fund Investments. The client deposits are recorded at their original cost plus any interest, gains or losses on fund investments allocated to clients each reporting period. The original principal deposited plus or minus investment gains or losses allocated is repayable to the customer and are therefore recorded as a liability. The fair value of customer deposits is represented by the original principal value of the deposit plus or minus gains or losses allocated to clients.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised;

Fund Investment Gains/Losses

After initial recognition, fund investments, which are classified as "at fair value" or "at amortised cost" are measured at fair value and amortised cost through the profit and loss account respectively. Gains or losses on fund investments are allocated as income or expenditure to client deposit accounts on a pro rata basis. Fair value is determined by reference to quoted market prices at close of business on each trading day.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

Changes in Accounting Policies

There have been no changes in accounting policies (2013: none).

2 Profit of the Parent Company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements. The company made a retained loss for the financial year of Euro 15,000 (2013: 361,508)

3 Analysis of turnover

	2014 Euro	2013 Euro
By activity:		
Offshore financial services	<u>12,854,799</u>	<u>11,657,991</u>
By geographical market:		
Europe	176,960	-
Australasia	<u>12,677,839</u>	<u>11,657,991</u>
	<u>12,854,799</u>	<u>11,657,991</u>

4 Operating profit - Group

	2014 Euro	2013 Euro
This is stated after charging:		
Depreciation of owned fixed assets	11,391	10,667
Amortisation of goodwill	3,409	283
Auditors' remuneration for audit services	<u>42,110</u>	<u>30,563</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

5 Staff costs - Group

	2014 Euro	2013 Euro
Wages and salaries	<u>39,711</u>	<u>178,744</u>

Average number of employees during the year

	Number	Number
Administration	<u>2</u>	<u>9</u>

Staff costs - Company

	2014 Euro	2013 Euro
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	<u>417</u>	<u>-</u>
	<u>417</u>	<u>-</u>

Average number of employees during the year

	Number	Number
Administration	Nil	Nil

6 Interest payable - Group

	2014 Euro	2013 Euro
Bank loans and overdrafts	<u>-</u>	<u>-</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

7 Taxation - Group

	2014 Euro	2013 Euro
Analysis of charge in period		
Current tax:		
Overseas corporation tax on profits of the period	330,519	222,528
	<hr/>	<hr/>
Tax on profit on ordinary activities	330,519	222,528

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2014 Euro	2013 Euro
Profit on ordinary activities before tax	1,108,704	432,501
Standard rate of group corporation tax	28%	28%
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax	310,437	121,100
Effects of:		
Expenses not deductible for tax purposes	20,082	101,428
	<hr/>	<hr/>
Current tax charge for period	330,519	222,528

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

8 Intangible fixed assets - Group

Euro

Goodwill:

Cost

At 1 April 2013	7,583
Additions	6,356
At 31 March 2014	<u>13,939</u>

Amortisation

At 1 April 2013	346
Provided during the year	3,409
At 31 March 2014	<u>3,755</u>

Net book value

At 31 March 2014	<u>10,184</u>
At 31 March 2013	<u>7,237</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 5 years.

9 Tangible fixed assets - Group

	Land and buildings Euro	Plant and machinery Euro	Fixtures, fittings, tools and equipment Euro	Total Euro
Cost				
At 1 April 2013	-	-	42,303	42,303
Additions	189,742	83,610	9,500	282,852
At 31 March 2014	<u>189,742</u>	<u>83,610</u>	<u>51,803</u>	<u>325,155</u>
Depreciation				
At 1 April 2013	-	-	17,000	17,000
Charge for the year	499	1,664	9,228	11,391
At 31 March 2014	<u>499</u>	<u>1,664</u>	<u>26,228</u>	<u>28,391</u>
Net book value				
At 31 March 2014	<u>189,243</u>	<u>81,946</u>	<u>25,575</u>	<u>296,764</u>
At 31 March 2013	<u>-</u>	<u>-</u>	<u>25,303</u>	<u>25,303</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

10 Investments - Company

	2014 Euro	2013 Euro
	Investments in subsidiary undertakings Euro	Other investments Euro
Cost		Total Euro
At 1 April 2013	10,000	10,000
Additions	-	-
Unpaid share capital	-	-
At 31 March 2014	<u>10,000</u>	<u>10,000</u>

The company has investments in the following subsidiary undertakings

Company	Shares held Class	%	Country of incorporation
Direct Holdings			
Innovative Securities Limited	Ordinary	100	New Zealand
Life Division Kft	Ordinary	100	Hungary
Indirect Holdings			
Innovative Propertis Kft	Ordinary	100	Hungary
(100% subsidiary of Life Division Kft)			
Innovative Securities Europe Zrt	Ordinary	100	Hungary
(100% subsidiary of Innovative Securities Ltd)			

The principal activities of Innovative Securities Limited is that of offshore financial services. The principal activity of Life Division Kft is that of management and administration services. The principal activity of Innovative Propertis Kft is that of a property investment company. The principal activity of Vita Divisione Ltd is that of commission agents.

Innovative Securities Europe Zrt is incorporated in Hungary and was formed during the year ended 31 March 2014. It has not traded during this period other than routine administration costs. No other subsidiaries were acquired or sold during the year ended 31 March 2014 (2013: None)

11 Stocks

	2014 Euro	2013 Euro
Raw materials and consumables	260,731	-
Freehold development land, materials and consumables	<u>1,028,195</u>	<u>805,180</u>
	<u>1,288,926</u>	<u>805,180</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

12 Debtors	2014 Euro	2013 Euro
Trade debtors	78,523	-
Other debtors	6,494	-
Shareholder loans	-	5,000
Short term loans and accrued interest	267,861	-
VAT Recoverable	72,239	93,580
Deposits	-	19,337
Prepayments and accrued income	4,564	9,171
	<u>429,681</u>	<u>127,088</u>

13 Debtors - Company	2014 Euro	2013 Euro
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,382,235	1,892,585
	<u>2,382,235</u>	<u>1,892,585</u>

All of the company debtors are due after more than one year.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

14 Investments held as current assets

		2014 Euro	2013 Euro
Fund Investments		33,485,521	33,485,521
Less: fees for future periods (refer below)		-	-
		<u>33,485,521</u>	<u>33,485,521</u>
Fund investments	Euro	19,780,759	16,226,360
Fund investments	US \$	20,521,264	16,770,364
Fund investments	CHF	684,886	488,797
		<u>40,986,909</u>	<u>33,485,521</u>
Cash and cash equivalents		5,207,304	1,918,234
Financial assets at fair value		<u>35,779,605</u>	<u>31,567,287</u>
		<u>40,986,909</u>	<u>33,485,521</u>
Bank balance - Euro		<u>2,671,723</u>	<u>1,201,726</u>
Listed investments		<u>40,986,909</u>	<u>33,485,521</u>

The bank balance represents cash deposited with a registered bank. There is no bank overdraft facility.

The fund investments represent cash or cash equivalents and units in investment funds and are all deposited with registered banks.

The fund investments classified as cash and cash equivalents with maturity dates ranging from 0 to 3 months are all classified as current. The fund investments classified as at fair value are quoted equities and accordingly have no set maturity date. All changes in fair value of fund investments represent changes in market risk. There has been no fair value impact resulting from changes in credit risk. Note that a portion of the funds held as investments are held on behalf of the parent entity.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

15 Creditors: amounts falling due within one year - Group		2014 Euro	2013 Euro
Trade creditors		129,508	42,490
Amounts owed to group undertakings and undertakings in which the company has a participating interest		474,507	-
Corporation tax		358,036	382,662
Other taxes and social security costs		13,350	9,750
Client deposits		40,776,537	32,622,548
Other creditors		-	8,720
Accruals and deferred income		60,000	30,159
		<u>41,811,938</u>	<u>33,096,329</u>
16 Creditors: amounts falling due within one year - Company		2014 Euro	2013 Euro
Accruals		60,000	30,000
Amounts owed to group undertakings and undertakings in which the company has a participating interest		474,508	-
		<u>534,508</u>	<u>30,000</u>
17 Client Deposits - Group		2014 Euro	2013 Euro
Client deposits		40,776,537	32,622,548
By currency			
Client deposits	Euro	19,583,378	14,859,454
Client deposits	US \$	19,992,971	16,681,181
Client deposits	CHF	1,200,188	1,081,913
		<u>40,776,537</u>	<u>32,622,548</u>

The closing balance of client deposits represents the fair value. The fair value of the clients deposits is represented by the original principal value deposited plus or minus gains or losses distributed to client deposit accounts less service fee charged. Gains or losses are calculated in accordance with the Statement of Accounting Policies.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

18 Creditors: amounts falling due after one year	2014 Euro	2013 Euro
Long term shareholders loans	<u>1,548,698</u>	<u>1,016,488</u>

19 Creditors: amounts falling due after one year - Company	2014 Euro	2013 Euro
Long term shareholders loans	<u>1,064,485</u>	<u>1,064,485</u>
	<u>1,064,485</u>	<u>1,064,485</u>

20 Share capital	Nominal value	2014 Number	2014 Euro	2013 Euro
Allotted, called up and fully paid: Ordinary shares	£1 each	1,000,000	<u>1,200,000</u>	<u>1,200,000</u>

21 Other reserves	2014 Euro
At 1 April 2013	2,810
Transfer from the profit and loss account	(2)
	<u>2,808</u>
At 31 March 2014	<u>2,808</u>

22 Profit and loss account	2014 Euro
At 1 April 2013	395,338
Profit for the financial year	778,185
Transfer to capital redemption reserve	2
	<u>1,173,525</u>
At 31 March 2014	<u>1,173,525</u>

23 Reconciliation of movement in shareholders' funds	2014 Euro	2013 Euro
At 1 April	1,598,148	1,388,175
Profit for the financial year	778,185	209,973
	<u>2,376,333</u>	<u>1,598,148</u>
At 31 March	<u>2,376,333</u>	<u>1,598,148</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

24 Gross cash flows

	2014 Euro	2013 Euro
Returns on investments and servicing of finance		
Dividends received	305	-
Interest received	18,154	8,117
Interest paid	(14,003)	(4,437)
	<u>4,456</u>	<u>3,680</u>
Capital expenditure		
Payments to acquire intangible fixed assets	(6,356)	(7,390)
Payments to acquire tangible fixed assets	(282,852)	(31,523)
	<u>(289,208)</u>	<u>(38,913)</u>
Management of liquid resources		
Sale of current asset investments	<u>(7,501,388)</u>	<u>(16,554,710)</u>
Financing		
New loans raised	2,105,964	2,105,964
Loan repayments	(1,573,754)	(3,195,440)
	<u>532,210</u>	<u>(1,089,476)</u>

25 Analysis of changes in net debt

	At 1 Apr 2013 Euro	Cash flows Euro	Non-cash changes Euro	At 31 Mar 2014 Euro
Cash at bank and in hand	1,260,636	<u>1,463,869</u>		2,724,505
Debt due after 1 year	(1,016,488)	<u>(532,210)</u>		(1,548,698)
Current asset investments	33,485,521	<u>7,501,388</u>		40,986,909
Total	<u>33,729,669</u>	<u>8,433,047</u>	<u>-</u>	<u>42,162,716</u>

26 Contingent liabilities

There were no contingent liabilities as at the year end.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

27 Financial Risk Management Policies & Objectives

The group's principal financial instruments are cash, fund investments, client deposits. These financial instruments arise directly from the operations of the group. The company's policy is that no trading in financial instruments shall be undertaken for financing purposes.

Interest rate risk

The group has no external term debt. There is no bank overdraft facility, (2013; nil). The client deposits are recorded at the principal amount and are not subject to a separate interest charge. Any loans between group companies are interest free. Accordingly the company has no material exposure to interest rate risk.

Foreign Currency Risk

Both the functional and presentation currency of the company and group is Euro. Client deposits and fund investments are in Euro, United States Dollars, and Swiss Francs. The company hedges these currencies by holding assets in each currency that offset the liabilities for the same currency. Significant currency mismatches may be covered by forward rate agreements with registered banks based on management's cash flow expectations. Certain items of operating expenditure may be billed to the group companies in currencies other than the Euro and accordingly the group's profit and loss account can be affected by movements in the respective exchange rates. The company has not entered into any foreign exchange forward cover for the period under review.

Commodity Price Risk

The company's exposure to commodity price risk is minimal.

Credit risk

All investors purchasing client deposits are required to remit funds prior to being allocated a deposit account. Accordingly the company incurs relatively little credit risk. Any customers to whom credit is granted will be subject to credit verification procedures. Receivable balances will be monitored on an ongoing basis with the result that the company's exposure to doubtful debts is not significant. The company's fund investments are managed and administered by banks. There are no significant concentrations of credit risk within the group.

Liquidity Risk

The company has no external borrowings. Any inter company loans have no fixed term of repayment. Therefore there is no significant exposure to liquidity risk in relation to borrowings. Client deposits are matched with fund investment assets in order to maintain sufficient liquid funds to meet its commitments based on historical and forecast cashflow needs.

Shareholder & Market Risk

This is an investment where the Fund Investments (the underlying asset) is dependent on the value of the stocks purchased from time to time on the instructions from Fund Managers. The value of the underlying asset is subject to market fluctuations. The normal risks of a stock-based investment in companies listed on a stock exchange exist. This includes the risk stock prices will decline after the investment is made. This could result in some of the capital invested being lost at the time the investment is sold or on redemption at the end of the investment term. The value of client deposits is dependent on the value of the stocks that make up the underlying asset. The company monitors the liquidity of all invested funds held by the company and assesses the risks at least quarterly.

Exit Risk

Client depositors are able to withdraw funds on any business trading day. Therefore exit risk is minimal.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2014

28 Financial Instruments

All the group's financial statements are carried in the financial statements as their values or at amortised cost adjusted for any impairment in fair value. Market values have been used to determine the fair value of the Fund Investments. Market value is determined by reference to quoted market bid prices at the close of business on each trading day. The quoted market bid prices relate to the price quoted by the relevant fund manager being registered banks.

Interest rate risk

The only financial instrument of the group that is exposed to interest rate risk is the group's bank balance. This balance attracts interest on a floating rate.

29 Service fees

Service fees are charged by the group as agreed rates based on a deposit agreement entered into when the customer applies to invest in "profit-max", "profit-rent" or "profit-gold" products. These fees comprise placement fees, management fees and performance fees. The placement fees are

30 Related party transactions

	2014	2013
	Euro	Euro
Loans receivable		
Due from Innovative Securities Ltd	1,008,999	1,087,271

The loan receivable has two primary components, being funds advanced to the company to meet company setup costs in 2009 and loans required for deposits with the key investment providers used by the company. The balance is unsecured, interest free and has no fixed repayment terms. There are no guarantees in relation to this advance. No related party balances have been forgiven or written off during the period. There were no other transactions entered into with related parties for the relevant financial periods.

Related Party Investments	11,388,818	9,592,522
IS Profit Max Fund		

Included within the total investments balance disclosed in Note 15 is a balance of Euro 11,388,818 (2013: Euro 9,592,522) invested in IS Profit Max Fund. IS Profit Max Fund is a fund incorporated in the Netherlands. It is managed by Innovative Securities Asset Management LLC, a company incorporated in the United States of America, which has common shareholding with Innovative Securities Ltd. IS Profit Max Fund is administered by Amicorp Fund Services NV, Curacao. All investments held in IS Profit Max Fund relate to Innovative Securities Limited. Innovative Securities Ltd has not incurred any investment management or other fees with IS Profit Max Fund during the year (2013: nil)

31 Ultimate controlling party

The ultimate controlling party is Stoyan Konstantinov Stoyanov, who owns 70% of the issued share capital of the company.