

Amending Accounts

Registered number
06754584

Innovative International Group Ltd

Report and Financial Statements

31 March 2016

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Innovative International Group Ltd
Report and accounts
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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 2016.

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 were satisfied with results 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, (2015; 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. (2015: 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 25 October 2017 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

Strategic Report

The directors consider the continued growth of the company as satisfactory in the current market conditions.

The directors aim to maintain the management policies which have resulted in the company's continued growth in recent years.

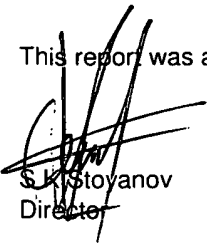
The company has pitched for new projects during the year under review which it expects to bear fruition within the next 12 months.

The company continues its investment programme into new technology and products to keep the company ahead of its competition.

Key performance indicators

- Gross profit margins remain above average due to continued improved customer base and sale of higher profit margin goods.
- Overall cashflow remains strong despite the current economic climate, and increased marketing costs to help maintain the existing customer base as well as allow for continued growth.
- Improved debtor collection and creditor payment periods due to improved internal accounting systems.

This report was approved by the board on ²⁵October 2017 and signed on its behalf.



S. K. Stoyanov
Director

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 2016 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 2016 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

25 October 2017

1 Old Court Mews
311 Chase Road
London

N14 6JS

Innovative International Group Ltd
Consolidated Income Statement
for the year ended 31 March 2016

	Notes	2016 Euro	2015 Euro
Turnover	3	9,828,267	12,381,716
Cost of sales		(6,878,412)	(9,290,499)
Gross profit		<u>2,949,855</u>	<u>3,091,217</u>
Administrative expenses		(2,194,327)	(1,584,105)
Other operating income		28,733	2,600
Operating profit	4	<u>784,261</u>	<u>1,509,712</u>
Exceptional items: profit on the disposal of tangible fixed assets	5	110	-
		<u>784,371</u>	<u>1,509,712</u>
Interest receivable		22,601	6
Interest payable	7	(116,252)	(197,107)
Profit on ordinary activities before taxation		<u>690,720</u>	<u>1,312,611</u>
Tax on profit on ordinary activities	8	(225,140)	(380,096)
Profit for the financial year		<u>465,580</u>	<u>932,515</u>

Continuing operations

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

Innovative International Group Ltd
Statement of comprehensive income
for the year ended 31 March 2016

	Notes	2016 Euro	2015 Euro
Profit for the financial year		465,580	932,515
Gain on revaluation of land and buildings	10	-	-
Deferred taxation arising on the revaluation of land and buildings		-	-
Total comprehensive income for the year		<u>465,580</u>	<u>932,515</u>

Innovative International Group Ltd
Consolidated Statement of Financial Position
as at 31 March 2016


	Notes	2016 Euro	2015 Euro
Fixed assets			
Intangible assets	9	3,020	7,540
Tangible assets	10	2,513,280	2,327,064
Investments		10,000	10,000
		<u>2,526,300</u>	<u>2,344,604</u>
Current assets			
Stocks	12	-	5,833
Debtors	13	253,090	299,122
Investments held as current assets	15	52,366,230	66,204,177
Cash at bank and in hand		2,134,914	1,958,554
		<u>54,754,234</u>	<u>68,467,686</u>
Creditors: amounts falling due within one year	16	(49,919,507)	(64,131,640)
Net current assets		<u>4,834,727</u>	<u>4,336,046</u>
Total assets less current liabilities		<u>7,361,027</u>	<u>6,680,650</u>
Creditors: amounts falling due after more than one year	19	(3,610,402)	(3,392,251)
Net assets		<u>3,750,625</u>	<u>3,288,399</u>
Capital and reserves			
Called up share capital	21	1,200,000	1,200,000
Other reserves	22	(5,515)	(2,161)
Profit and loss account	23	2,556,140	2,090,560
Shareholders' funds	24	<u>3,750,625</u>	<u>3,288,399</u>


S.K. Stoyanov
Director

Approved by the board on 25 October 2017

Innovative International Group Ltd
Statement of Financial Position
as at 31 March 2016

	Notes	2016 Euro	2015 Euro
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments		<u>10,000</u>	<u>10,000</u>
		10,000	10,000
Current assets			
Stocks	12	-	-
Due from group undertakings	13	2,382,235	2,382,235
Debtors		-	-
Investments held as current assets	15	-	-
Cash at bank and in hand		<u>-</u>	<u>-</u>
		2,382,235	2,382,235
Creditors: amounts falling due within one year	16	(551,308)	(534,508)
Net current assets		<u>1,830,927</u>	<u>1,847,727</u>
Total assets less current liabilities		<u>1,840,927</u>	<u>1,857,727</u>
Creditors: amounts falling due after more than one year	19	(1,064,485)	(1,064,485)
Net assets		<u>776,442</u>	<u>793,242</u>
Capital and reserves			
Called up share capital	21	1,200,000	1,200,000
Profit and loss account	23	(423,558)	(406,758)
Shareholders' funds	24	<u>776,442</u>	<u>793,242</u>


S.K. Stoyanov
Director

Approved by the board on 25 October 2017

Innovative International Group Ltd
Statement of Changes in Equity
for the year ended 31 March 2016

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	Euro	Euro	Euro	Euro	Euro
At 1 April 2014	1,200,000	-	3,288	1,158,045	2,361,333
Profit for the financial year				932,515	932,515
Gain on revaluation of land and buildings			-		-
Deferred taxation arising on the revaluation of land and buildings			-		-
Other comprehensive income for the financial year	-	-	-	-	-
Total comprehensive income for the financial year	-	-	(5,449)	932,515	927,066
Dividends				-	-
Shares issued	-	-			-
Shares redeemed	-				-
At 31 March 2015	1,200,000	-	(2,161)	2,090,560	3,288,399
Correction of prior year errors				-	-
Effect of retrospective changes in accounting policies				-	-
At 31 March 2015 as restated	<u>1,200,000</u>	<u>-</u>	<u>(2,161)</u>	<u>2,090,560</u>	<u>3,288,399</u>
At 1 April 2015	1,200,000	-	(2,161)	2,090,560	3,288,399
Profit for the financial year				465,580	465,580
Gain on revaluation of land and buildings			-		-
Deferred taxation arising on the revaluation of land and buildings			-		-
Other comprehensive income for the financial year	-	-	(3,354)	-	(3,354)
Total comprehensive income for the financial year	-	-	(3,354)	465,580	462,226
Dividends				-	-
Shares issued	-	-			-
Shares redeemed	-				-
At 31 March 2016	<u>1,200,000</u>	<u>-</u>	<u>(5,515)</u>	<u>2,556,140</u>	<u>3,750,625</u>

Innovative International Group Ltd
Cash Flow Statement
for the year ended 31 March 2016

	Notes	2016 Euro	2015 Euro
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		784,261	1,509,712
Depreciation and amortisation		100,594	66,160
Decrease in stocks		5,833	1,283,093
Decrease in debtors		46,032	130,559
(Decrease)/increase in creditors		(14,124,099)	22,418,957
Net cash (outflow)/inflow from operating activities		<u>(13,187,379)</u>	<u>25,408,481</u>
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(13,187,379)	25,408,481
Returns on investments and servicing of finance	25	(93,651)	(197,101)
Taxation		(313,174)	(496,512)
Capital expenditure	25	<u>(282,180)</u>	<u>(2,103,816)</u>
		(13,876,384)	22,611,052
Management of liquid resources	25	13,837,947	(25,217,268)
Financing	25	214,797	1,840,265
Increase/(decrease) in cash		<u>176,360</u>	<u>(765,951)</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		176,360	(765,951)
Increase in debt and lease financing		(218,151)	(1,843,553)
(Decrease)/increase in liquid resources		(13,837,947)	25,217,268
Change in net debt	26	<u>(13,879,738)</u>	<u>22,607,764</u>
Net funds at 1 April		<u>64,770,480</u>	<u>42,162,716</u>
Net funds at 31 March		<u>50,890,742</u>	<u>64,770,480</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards and The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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. The results of the subsidiaries Life Division Kft and Innovative Properties Kft are for the year ended 31 December 2015 and are not co terminus with the year end of the Group (however the Directors do not consider that the results of these subsidiaries would not be materially different). The results of all other subsidiaries are to 31 March 2016.

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.

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 2016

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 Consolidated Income Statement as income or expenditure.

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.

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 at 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.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

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.

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.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

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 2016 there were no derivative financial instruments held by the company nor were any undertaken during the period (2015: 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.

Changes in Accounting Policies

There have been no changes in accounting policies (2015: none).

Company and segment information

The company's subsidiary Innovative Securities Limited (a New Zealand Company) operates in the investment market. This company's operations involve managing an underlying asset purchased by the company from monies raised from client deposits. Client funds acquired are invested with registered banks in cash or cash equivalents and investment funds located Internationally.

The subsidiaries New Zealand offices performs accounting compliance, monitoring and ancillary activities. The management of the fund assets is undertaken by the company based on a platform lease contract with GeoWealth Management LLC, company incorporated in the United States of America. The remaining business, including the IT and call centre, is undertaken through the Group's office in Budapest, Hungary. The office is part of a related entity Life Division Limited, with whom the Group has a management and service agreement. The clients of the Group are international individuals or trusts, however there is a concentration of business in countries throughout Europe and Asia. There have been no changes to the Group's business during the period.

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

Earnings per share

Earnings per share and diluted earnings per share calculations have not been performed. The nature of the company's activities is such that earnings per share calculations do not provide any meaningful information for shareholders.

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 16,800 (2015: 16,800)

3 Analysis of turnover

	2016 Euro	2015 Euro
By activity:		
Offshore financial services	<u>9,828,267</u>	<u>12,381,716</u>
By geographical market:		
Europe	52,000	199,333
Australasia	<u>9,776,267</u>	<u>12,182,383</u>
	<u>9,828,267</u>	<u>12,381,716</u>

4 Operating profit - Group

	2016 Euro	2015 Euro
This is stated after charging:		
Depreciation of owned fixed assets	95,444	61,705
Amortisation of goodwill	5,150	4,455
Auditors' remuneration for audit services	<u>27,933</u>	<u>25,780</u>

5 Exceptional items

	2016 Euro	2015 Euro
Profit on disposal of land and buildings	<u>110</u>	<u>-</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

6 Staff costs - Group

	2016 Euro	2015 Euro
Wages and salaries	<u>403,833</u>	<u>115,155</u>

Average number of employees during the year

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

Staff costs - Company

	2016 Euro	2015 Euro
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	<u>67</u>	<u>34</u>
	<u>67</u>	<u>34</u>

Average number of employees during the year

	Number	Number
Administration	Nil	Nil

7 Interest payable - Group

	2016 Euro	2015 Euro
Other loans	<u>116,252</u>	<u>197,107</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

8 Taxation - Group

	2016 Euro	2015 Euro
Analysis of charge in period		
Current tax:		
Overseas corporation tax on profits of the period	225,140	380,096
	<hr/>	<hr/>
Tax on profit on ordinary activities	225,140	380,096

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:

	2016 Euro	2015 Euro
Profit on ordinary activities before tax	690,720	1,312,611
	<hr/>	<hr/>
Standard rate of group corporation tax	28%	28%
	<hr/>	<hr/>
	Euro	Euro
Profit on ordinary activities multiplied by the standard rate of corporation tax	193,402	367,531
Effects of:		
Expenses not deductible for tax purposes	31,738	12,565
	<hr/>	<hr/>
Current tax charge for period	225,140	380,096

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 2016

9 Intangible fixed assets - Group

Euro

Goodwill:

Cost

At 1 April 2015	15,750
Additions	630
At 31 March 2016	<u>16,380</u>

Amortisation

At 1 April 2015	8,210
Provided during the year	5,150
At 31 March 2016	<u>13,360</u>

Net book value

At 31 March 2016	<u>3,020</u>
At 31 March 2015	<u>7,540</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 3 to 5 years.

10 Tangible fixed assets - Group

	Land and buildings Euro	Plant and machinery Euro	Fixtures, fittings, tools and equipment Euro	Total Euro
Cost				
At 1 April 2015	1,909,403	121,337	386,420	2,417,160
Additions	<u>261,427</u>	<u>7,720</u>	<u>12,513</u>	<u>281,660</u>
At 31 March 2016	<u>2,170,830</u>	<u>129,057</u>	<u>398,933</u>	<u>2,698,820</u>
Depreciation				
At 1 April 2015	2,146	16,987	70,963	90,096
Charge for the year	<u>50</u>	<u>20,197</u>	<u>75,197</u>	<u>95,444</u>
At 31 March 2016	<u>2,196</u>	<u>37,184</u>	<u>146,160</u>	<u>185,540</u>
Net book value				
At 31 March 2016	<u>2,168,634</u>	<u>91,873</u>	<u>252,773</u>	<u>2,513,280</u>
At 31 March 2015	<u>1,907,257</u>	<u>104,350</u>	<u>315,457</u>	<u>2,327,064</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

	Other investments Euro	
Cost		
Additions		
At 31 March 2016		<u>10,000</u>
Other investments	2016 Euro	2015 Euro
Unlisted investments	<u>10,000</u>	<u>10,000</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

11 Investments - Company

	2016 Euro	2015 Euro
	Investments in subsidiary undertakings Euro	Other investments Euro
Cost		Total Euro
At 1 April 2015	10,000	20,000
Additions	-	-
Unpaid share capital	-	-
At 31 March 2016	<u>10,000</u>	<u>20,000</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 (100% subsidiary of Life Division Kft)	Ordinary	100	Hungary
Innovative Securities Europe Zrt (100% subsidiary of Innovative Securities Ltd)	Ordinary	100	Hungary
Innovative Securities N.B.F.I Ltd (100% subsidiary of Innovative Securities Ltd)		100	Kosovo

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.

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. A subsidiary company was established in Kosovo during the period as noted above. This company did not trade and has no balances. No other subsidiaries were acquired or sold during the year ended 31 March 2016 (2015: None)

12 Stocks

	2016 Euro	2015 Euro
Raw materials and consumables	<u>-</u>	<u>5,833</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 2016

13 Debtors	2016 Euro	2015 Euro
Other debtors	69,116	197,049
VAT Recoverable	183,974	102,073
	<u>253,090</u>	<u>299,122</u>

14 Debtors - Company	2016 Euro	2015 Euro
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,382,235	2,382,235
	<u>2,382,235</u>	<u>2,382,235</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 2016

15 Investments held as current assets

		2016 Euro	2015 Euro
Fund Investments		52,366,230	66,204,177
Less: fees for future periods (refer below)		<u>52,366,230</u>	<u>66,204,177</u>
Fund investments	Euro	22,484,806	30,952,950
Fund investments	USD	25,542,272	31,614,035
Fund investments	CHF	4,147,671	3,637,192
Fund investments	AUD	191,481	-
		<u>52,366,230</u>	<u>66,204,177</u>
Cash and cash equivalents		5,205,936	6,717,469
Financial assets at fair value		<u>47,160,294</u>	<u>59,486,708</u>
		<u>52,366,230</u>	<u>66,204,177</u>
Bank balance - Euro		<u>2,082,241</u>	<u>1,629,727</u>
Listed investments		<u>52,366,230</u>	<u>66,204,177</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.

16 Creditors: amounts falling due within one year - Group

	2016 Euro	2015 Euro
Trade creditors	179,291	96,164
Corporation tax	153,586	241,620
Client deposits	49,566,994	63,695,828
Other creditors	1,733	15,000
Other loans	-	-
Accruals and deferred income	<u>17,903</u>	<u>83,028</u>
	<u>49,919,507</u>	<u>64,131,640</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

17 Creditors: amounts falling due within one year - Company	2016 Euro	2015 Euro
Accruals	16,800	60,000
Amounts owed to group undertakings and undertakings in which the company has a participating interest	534,508	474,508
	<u>551,308</u>	<u>534,508</u>

18 Client Deposits - Group	2016 Euro	2015 Euro
Client deposits	49,566,994	63,695,828
By currency		
Client deposits Euro	20,683,723	28,135,281
Client deposits US \$	24,583,848	29,837,442
Client deposits CHF	4,299,423	5,723,105
	<u>49,566,994</u>	<u>63,695,828</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.

19 Creditors: amounts falling due after one year	2016 Euro	2015 Euro
Long term shareholders loans	<u>3,610,402</u>	<u>3,392,251</u>

20 Creditors: amounts falling due after one year - Company	2016 Euro	2015 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>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

21 Share capital	Nominal value	2016 Number	2016 Euro	2015 Euro
Allotted, called up and fully paid: Ordinary shares	£1 each	1,000,000	<u>1,200,000</u>	<u>1,200,000</u>
22 Other reserves			2016 Euro	
At 1 April 2015			(2,161)	
Transfer from the profit and loss account			(3,354)	
At 31 March 2016			<u>(5,515)</u>	
23 Profit and loss account			2016 Euro	
At 1 April 2015			2,090,560	
Profit for the financial year			465,580	
At 31 March 2016			<u>2,556,140</u>	
24 Reconciliation of movement in shareholders' funds			2016 Euro	2015 Euro
At 1 April			3,288,399	2,361,333
Profit for the financial year			465,580	932,515
Other reserves			(3,354)	(5,449)
At 31 March			<u>3,750,625</u>	<u>3,288,399</u>

Innovative International Group Ltd
Notes to the Accounts
for the year ended 31 March 2016

25 Gross cash flows

	2016 Euro	2015 Euro
Returns on investments and servicing of finance		
Interest received	22,601	6
Interest paid	(116,252)	(197,107)
	<u>(93,651)</u>	<u>(197,101)</u>
Capital expenditure		
Payments to acquire intangible fixed assets	(630)	(1,811)
Payments to acquire tangible fixed assets	(281,660)	(2,092,005)
Payments to acquire investments	-	(10,000)
Receipts from sales of tangible fixed assets	110	-
	<u>(282,180)</u>	<u>(2,103,816)</u>
Management of liquid resources		
Sale of current asset investments	<u>13,837,947</u>	<u>(25,217,268)</u>
Financing		
Redemption of share capital	(3,354)	(3,288)
New loans raised	-	2,105,964
Loan repayments	<u>218,151</u>	<u>(262,411)</u>
	<u>214,797</u>	<u>1,840,265</u>

26 Analysis of changes in net debt

	At 1 Apr 2015 Euro	Cash flows Euro	Non-cash changes Euro	At 31 Mar 2016 Euro
Cash at bank and in hand	1,958,554	176,360		2,134,914
Debt due after 1 year	(3,392,251)	(218,151)		(3,610,402)
Current asset investments	66,204,177	(13,837,947)		52,366,230
Total	<u>64,770,480</u>	<u>(13,879,738)</u>	<u>-</u>	<u>50,890,742</u>

27 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 2016

28 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, (2015; 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 2016

29 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.

30 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

31 Related party transactions

	2016	2015
	Euro	Euro
Related Party Investments	10,499,147	12,281,845
IS Profit Max Fund		

Included within the total investments balance disclosed in Note 15 is a balance of Euro 10,499,147 (2015: Euro 12,281,845) 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 (2015: nil)

32 Ultimate controlling party

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

Innovative International Group Ltd
Detailed profit and loss account
for the year ended 31 March 2016

	2016 Euro	2015 Euro
Sales	9,828,267	12,381,716
Cost of sales	(6,878,412)	(9,290,499)
Gross profit	<u>2,949,855</u>	<u>3,091,217</u>
Administrative expenses	(2,194,327)	(1,584,105)
Other operating income	28,733	2,600
Operating profit	<u>784,261</u>	<u>1,509,712</u>
Exceptional items	110	-
Interest receivable	22,601	6
Interest payable	(116,252)	(197,107)
Profit before tax	<u>690,720</u>	<u>1,312,611</u>