

Registered number  
06754584


**AMENDED**

Innovative International Group Ltd

Report and Financial Statements

31 March 2017

TU TUESDAY



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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 2017.

**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, (2016; 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. (2016: 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 22 March 2019 and signed on its behalf.

x  
S K Stoyanov  
Director



x

## **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.

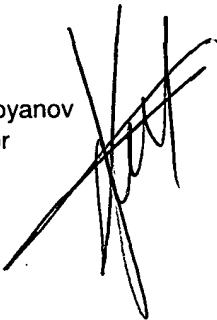
The company continues its investment programme into new technology and products to keep the company ahead of its competition.

### **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 22 March 2019 and signed on its behalf.

x  
S K Stoyanov  
Director



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**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 2017 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](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

*Group's and the Parent*

*the Group's*

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

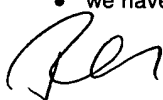
**Opinion on other matters prescribed by the Companies Act 2006**

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

22 March 2019

1 Old Court Mews  
311 Chase Road  
London

N14 6JS



**Innovative International Group Ltd**  
**Consolidated Income Statement**  
**for the year ended 31 March 2017**

	Notes	2017 Euro	2016 Euro
<b>Turnover</b>	3	8,407,667	9,828,267
<b>Cost of sales</b>		(5,970,697)	(6,878,412)
<b>Gross profit</b>		<u>2,436,970</u>	<u>2,949,855</u>
Administrative expenses		(2,339,080)	(2,194,327)
Other operating income		56,270	28,733
<b>Operating profit</b>	4	<u>154,160</u>	<u>784,261</u>
Exceptional items:			
profit on the disposal of tangible fixed assets	5	-	110
		<u>154,160</u>	<u>784,371</u>
Interest receivable		27,142	22,601
Interest payable	7	(140,365)	(116,252)
<b>Profit on ordinary activities before taxation</b>		<u>40,937</u>	<u>690,720</u>
Tax on profit on ordinary activities	3	(36,697)	(225,140)
<b>Profit for the financial year</b>		<u>4,240</u>	<u>465,580</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 2017**

	Notes	2017 Euro	2016 Euro
<b>Profit for the financial year</b>		<b>4,240</b>	<b>465,580</b>
Gain on revaluation of land and buildings	10	-	-
Deferred taxation arising on the revaluation of land and buildings		-	-
<b>Total comprehensive income for the year</b>		<b>4,240</b>	<b>465,580</b>

**Innovative International Group Ltd**  
**Consolidated Statement of Financial Position**  
**as at 31 March 2017**

	Notes	2017 Euro	2016 Euro
<b>Fixed assets</b>			
Intangible assets	9	883	3,020
Tangible assets	10	2,425,347	2,513,280
Investments		10,000	10,000
		<u>2,436,230</u>	<u>2,526,300</u>
<b>Current assets</b>			
Debtors	12	242,336	253,090
Investments held as current assets	14	46,436,176	52,366,230
Cash at bank and in hand		707,203	2,134,914
		<u>47,385,715</u>	<u>54,754,234</u>
<b>Creditors: amounts falling due within one year</b>	15	(42,953,487)	(49,919,507)
<b>Net current assets</b>		<u>4,432,228</u>	<u>4,834,727</u>
<b>Total assets less current liabilities</b>		<u>6,868,458</u>	<u>7,361,027</u>
<b>Creditors: amounts falling due after more than one year</b>	18	(3,113,593)	(3,610,402)
<b>Net assets</b>		<u>3,754,865</u>	<u>3,750,625</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,200,000	1,200,000
Other reserves	21	(3,538)	(5,515)
Profit and loss account	22	2,558,403	2,556,140
<b>Shareholders' funds</b>	23	<u>3,754,865</u>	<u>3,750,625</u>

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S K Stoyanov  
Director  
Approved by the board on 22 March 2019

**Innovative International Group Ltd**  
**Statement of Financial Position**  
**as at 31 March 2017**

	Notes	2017 Euro	2016 Euro
<b>Fixed assets</b>			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments		10,000	10,000
		<u>10,000</u>	<u>10,000</u>
<b>Current assets</b>			
Stocks		-	-
Due from group undertakings	12	2,382,235	2,382,235
Debtors		-	-
Investments held as current assets	14	-	-
Cash at bank and in hand		-	-
		<u>2,382,235</u>	<u>2,382,235</u>
<b>Creditors: amounts falling due within one year</b>	15	(568,108)	(551,308)
<b>Net current assets</b>		<u>1,814,127</u>	<u>1,830,927</u>
<b>Total assets less current liabilities</b>		<u>1,824,127</u>	<u>1,840,927</u>
<b>Creditors: amounts falling due after more than one year</b>	18	(1,064,485)	(1,064,485)
<b>Net assets</b>		<u>759,642</u>	<u>776,442</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,200,000	1,200,000
Profit and loss account	22	(440,358)	(423,558)
<b>Shareholders' funds</b>	23	<u>759,642</u>	<u>776,442</u>

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S K Stoyanov  
Director

Approved by the board on 22 March 2019

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**Innovative International Group Ltd**  
**Statement of Changes in Equity**  
**for the year ended 31 March 2017**

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	Euro	Euro	Euro	Euro	Euro
<b>At 1 April 2014</b>	1,200,000	-	(2,161)	2,087,206	3,285,045
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	-	-	-	-	-
Total comprehensive income for the financial year	-	-	(3,354)	465,580	462,226
Dividends				-	-
Shares issued	-	-			-
Shares redeemed	-				-
<b>At 31 March 2016</b>	1,200,000	-	(5,515)	2,552,786	3,747,271
Correction of prior year errors				-	-
Effect of retrospective changes in accounting policies				-	-
<b>At 31 March 2016 as restated</b>	1,200,000	-	(5,515)	2,552,786	3,747,271
<b>At 1 April 2016</b>	1,200,000	-	(5,515)	2,556,140	3,750,625
Profit for the financial year				4,240	4,240
Gain on revaluation of land and buildings			-		
Deferred taxation arising on the revaluation of land and buildings			-		
Other comprehensive income for the financial year	-	-	1,977	-	1,977
Total comprehensive income for the financial year	-	-	1,977	4,240	6,217
Dividends				-	
Shares issued	-	-			-
Shares redeemed	-				-
<b>At 31 March 2017</b>	1,200,000	-	(3,538)	2,560,380	3,756,842

**Innovative International Group Ltd**  
**Cash Flow Statement**  
**for the year ended 31 March 2017**

	Notes	2017 Euro	2016 Euro
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		154,160	1,509,712
Depreciation and amortisation		90,070	66,160
Decrease in stocks		-	1,283,093
Decrease in debtors		10,754	130,559
(Decrease)/increase in creditors		(6,812,434)	22,418,957
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(6,557,450)</b>	<b>25,408,481</b>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(6,557,450)</b>	<b>25,408,481</b>
<b>Returns on investments and servicing of finance</b>	24	<b>(113,223)</b>	<b>(197,101)</b>
<b>Taxation</b>		<b>(190,283)</b>	<b>(496,512)</b>
<b>Capital expenditure</b>	24	<b>-</b>	<b>(2,103,816)</b>
		<b>(6,860,956)</b>	<b>22,611,052</b>
<b>Management of liquid resources</b>	24	<b>5,930,054</b>	<b>(25,217,268)</b>
<b>Financing</b>	24	<b>(496,809)</b>	<b>1,840,265</b>
<b>Decrease in cash</b>		<b>(1,427,711)</b>	<b>(765,951)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Decrease in cash in the period		(1,427,711)	(765,951)
Decrease/(increase) in debt and lease financing		496,809	(1,843,553)
(Decrease)/increase in liquid resources		(5,930,054)	25,217,268
<b>Change in net debt</b>	25	<b>(6,860,956)</b>	<b>22,607,764</b>
<b>Net funds at 1 April</b>		<b>50,890,742</b>	<b>28,282,978</b>
<b>Net funds at 31 March</b>		<b>44,029,786</b>	<b>50,890,742</b>

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

**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

Leasehold land and buildings

Plant and machinery

over 50 years

over the lease term

over 5 years

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

***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.

***Income tax***

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax payable represents surplus on the activities of the company and is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit or Loss and Other Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using the tax rates that have been enacted or

***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.

***Goods and Services tax***

Revenue, expenses and assets are recognised inclusive of GST because the Group is not registered for GST.

***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.



**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

***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 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 2017**

***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 2017 there were no derivative financial instruments held by the company nor were any undertaken during the period (2016: 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 (2016: none).

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

***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.

***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.

***Consolidation of Subsidiaries***

The group financial statements incorporate the financial statements of the company and its subsidiaries, which has been consolidated using the purchase method. The results of any subsidiaries acquired or disposed of in the year are consolidated from the effective dates of acquisition or until the effective date of disposal.

**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 (2016: 16,800)

**3 Analysis of turnover**

	<b>2017</b>	<b>2016</b>
	<b>Euro</b>	<b>Euro</b>
By activity:		
Offshore financial services	<u>8,407,667</u>	<u>9,828,267</u>
By geographical market:		
Europe	637,200	52,000
Australasia	<u>7,770,467</u>	<u>9,776,267</u>
	<u>8,407,667</u>	<u>9,828,267</u>

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

<b>4 Operating profit - Group</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
This is stated after charging:		
Depreciation of owned fixed assets	87,933	95,444
Amortisation of goodwill	2,137	5,150
Auditors' remuneration for audit services	54,398	27,933
<b>5 Exceptional Items</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Profit on disposal of land and buildings	-	110
<b>6 Staff costs - Group</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Wages and salaries	411,457	403,833
Social security costs	1,450	-
	412,907	403,833
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	2	2
<b>Staff costs - Company</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	-	-
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	Nil	Nil
<b>7 Interest payable - Group</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Other loans	140,365	116,252

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

**8 Taxation - Group**

**Analysis of charge in period**

Current tax:

Overseas corporation tax on profits of the period

Tax on profit on ordinary activities

**2017**  
**Euro**

**2016**  
**Euro**

36,697 225,140

36,697 225,140

**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:

	<b>2017</b> <b>Euro</b>	<b>2016</b> <b>Euro</b>
Profit on ordinary activities before tax	40,937	690,720
Standard rate of group corporation tax	28%	28%
	<b>Euro</b>	<b>Euro</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	11,462	193,402
Effects of:		
Expenses not deductible for tax purposes	25,235	31,738
Current tax charge for period	36,697	225,140

**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 2017**

**9 Intangible fixed assets - Group**

**Euro**

Goodwill:

**Cost**

At 1 April 2016

16,380

At 31 March 2017

16,380

**Amortisation**

At 1 April 2016

13,360

Provided during the year

2,137

At 31 March 2017

15,497

**Net book value**

At 31 March 2017

883

At 31 March 2016

3,020

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
<b>Cost</b>				
At 1 April 2016	2,170,830	129,057	398,933	2,698,820
At 31 March 2017	2,170,830	129,057	398,933	2,698,820
<b>Depreciation</b>				
At 1 April 2016	2,197	37,183	146,160	185,540
Charge for the year	1,660	18,040	68,233	87,933
At 31 March 2017	3,857	55,223	214,393	273,473
<b>Net book value</b>				
At 31 March 2017	2,166,973	73,834	184,540	2,425,347
At 31 March 2016	2,168,633	91,874	252,773	2,513,280

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

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**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

**11 Investments - Company**

		<b>2017 Euro</b>	<b>2016 Euro</b>
	<b>Investments in subsidiary undertakings Euro</b>	<b>Other investments Euro</b>	<b>Total Euro</b>
<b>Cost</b>			
At 1-April 2016	10,000	10,000	20,000
Additions	-	-	-
Unpaid share capital	-	-	-
At 31 March 2017	<u>10,000</u>	<u>10,000</u>	<u>20,000</u>

The company has investments in the following subsidiary undertakings

<b>Company</b>	<b>Shares held Class</b>	<b>%</b>	<b>Country of incorporation</b>
<b>Direct Holdings</b>			
Innovative Securities Limited	Ordinary	100	New Zealand
Life Division Kft	Ordinary	100	Hungary
<b>Indirect Holdings</b>			
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 Kosov 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 2017 (2016: None)



**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

**12 Debtors**

	<b>2017 Euro</b>	<b>2016 Euro</b>
Trade debtors	63,133	-
Other debtors	68,343	69,116
VAT Recoverable	110,483	183,974
Prepayments and accrued income	377	-
	<u>242,336</u>	<u>253,090</u>

**13 Debtors - Company**

	<b>2017 Euro</b>	<b>2016 Euro</b>
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 2017**

**14 Investments held as current assets**

		<b>2017</b>	<b>2016</b>
		<b>Euro</b>	<b>Euro</b>
Fund Investments		46,436,176	52,366,230
Less: fees for future periods (refer below)		-	-
		<b>46,436,176</b>	<b>52,366,230</b>
Fund investments	Euro	21,772,884	22,484,806
Fund investments	USD	21,861,752	25,542,272
Fund investments	CHF	2,619,855	4,147,671
Fund investments	AUD	181,685	191,481
		<b>46,436,176</b>	<b>52,366,230</b>
Cash and cash equivalents		2,319,562	5,205,936
Financial assets at fair value		44,116,614	47,160,294
		<b>46,436,176</b>	<b>52,366,230</b>
Bank balance - Euro		<b>2,082,241</b>	<b>1,629,727</b>
Listed investments		<b>46,436,176</b>	<b>52,366,230</b>

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.

**15 Creditors: amounts falling due within one year - Group**

	<b>2017</b>	<b>2016</b>
	<b>Euro</b>	<b>Euro</b>
Trade creditors	183,238	179,291
Corporation tax	-	153,586
Client deposits	42,723,735	49,566,994
Other creditors	24,480	1,733
Accruals and deferred income	22,034	17,903
	<b>42,953,487</b>	<b>49,919,507</b>

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

<b>16 Creditors: amounts falling due within one year - Company</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Accruals	16,800	16,800
Amounts owed to group undertakings and undertakings in which the company has a participating interest	551,308	534,508
	<u>568,108</u>	<u>551,308</u>

<b>17 Client Deposits - Group</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Client deposits	42,723,735	49,566,994
By currency		
Client deposits Euro	20,529,884	20,683,723
Client deposits US \$	18,804,834	24,583,848
Client deposits CHF	3,389,017	4,299,423
	<u>42,723,735</u>	<u>49,566,994</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.

<b>18 Creditors: amounts falling due after one year</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Long term shareholders loans	<u>3,113,593</u>	<u>3,610,402</u>

<b>19 Creditors: amounts falling due after one year - Company</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
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 2017**

<b>20 Share capital</b>	<b>Nominal value</b>	<b>2017 Number</b>	<b>2017 Euro</b>	<b>2016 Euro</b>
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1,000,000	<u>1,200,000</u>	<u>1,200,000</u>
<b>21 Other reserves</b>			<b>2017 Euro</b>	
At 1 April 2016			(5,515)	
Transfer from the profit and loss account			<u>1,977</u>	
At 31 March 2017			<u>(3,538)</u>	
<b>22 Profit and loss account</b>			<b>2017 Euro</b>	
At 1 April 2016			2,556,140	
Profit for the financial year			4,240	
Transfer to other reserves			<u>(1,977)</u>	
At 31 March 2017			<u>2,558,403</u>	
<b>23 Reconciliation of movement in shareholders' funds</b>			<b>2017 Euro</b>	<b>2016 Euro</b>
At 1 April			3,750,625	3,285,045
Profit for the financial year			<u>4,240</u>	<u>465,580</u>
At 31 March			<u>3,754,865</u>	<u>3,750,625</u>

**Innovative International Group Ltd**  
**Notes to the Accounts**  
**for the year ended 31 March 2017**

**24 Gross cash flows**

	<b>2017 Euro</b>	<b>2016 Euro</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	27,142	6
Interest paid	(140,365)	(197,107)
	<u>(113,223)</u>	<u>(197,101)</u>
<b>Capital expenditure</b>		
Payments to acquire intangible fixed assets	-	(1,811)
Payments to acquire tangible fixed assets	-	(2,092,005)
Payments to acquire investments	-	(10,000)
	<u>-</u>	<u>(2,103,816)</u>
<b>Management of liquid resources</b>		
Sale of current asset investments	<u>5,930,054</u>	<u>(25,217,268)</u>
<b>Financing</b>		
Redemption of share capital	-	(3,288)
New loans raised	-	2,105,964
Loan repayments	(496,809)	(262,411)
	<u>(496,809)</u>	<u>1,840,265</u>

**25 Analysis of changes in net debt**

	<b>At 1 Apr 2016 Euro</b>	<b>Cash flows Euro</b>	<b>Non-cash changes Euro</b>	<b>At 31 Mar 2017 Euro</b>
Cash at bank and in hand	2,134,914	(1,427,711)		707,203
Debt due after 1 year	(3,610,402)	496,809		(3,113,593)
Current asset investments	52,366,230	(5,930,054)		46,436,176
Total	<u>50,890,742</u>	<u>(6,860,956)</u>	<u>-</u>	<u>44,029,786</u>

**26 Post balance sheet events**

On 8 June 2017 the subsidiary Innovative Securities Ltd was deregistered from the Financial Service Providers Register. This does not affect the valuations of assets and liabilities as at 31 March 2017 but does preclude the subsidiary from accepting clients from this date. The subsidiary has continued in operation since 8 June 2017 with its existing client base and is in the process of working through a DIMS application in conjunction with FMA. (2016: no events)

**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 2017**

**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, (2016; 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 2017**

**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**

	<b>2017</b>	<b>2016</b>
	<b>Euro</b>	<b>Euro</b>
Related Party Investments	11,646,743	10,499,147
IS Profit Max Fund		

Included within the total investments balance disclosed in Note 15 is a balance of Euro 11,646,743 (2016: Euro 10,499,147) 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 (2016: 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 2017**

	<b>2017</b> <b>Euro</b>	<b>2016</b> <b>Euro</b>
<b>Sales</b>	8,407,667	9,828,267
Cost of sales	(5,970,697)	(6,878,412)
<b>Gross profit</b>	<u>2,436,970</u>	<u>2,949,855</u>
Administrative expenses	(2,339,080)	(2,194,327)
Other operating income	56,270	28,733
<b>Operating profit</b>	<u>154,160</u>	<u>784,261</u>
Exceptional items	-	110
Interest receivable	27,142	22,601
Interest payable	(140,365)	(116,252)
<b>Profit before tax</b>	<u>40,937</u>	<u>690,720</u>