
IIAA LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

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IIAA LIMITED

COMPANY INFORMATION

Directors

D Alpert
T Alpert
M Evans
N Bell

Registered number

02810868

Registered office

1st Floor Stanmore House
15-19 Church Road
Stanmore
Middlesex
HA7 4AR

Independent auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

IIAA LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Introduction

The directors present their strategic report for the year ended 28 February 2019.

The company's principal activity during the year continued to be the production, import and distribution of goods for resale into the beauty sector. In addition to the sale of products, the company continues to provide extensive support to its clients through operations, training, marketing and PR.

Business review and financial key performance indicators

The directors are pleased to report continued growth in the business resulting in a 16% increase in turnover to £27,204,707. Gross profit percentage increased marginally from 56% to 57% and operating profit was £2,284,948 (2018: £811,550). The directors consider these measures of performance to be the key performance indicators.

The company continues to invest in future growth, new products and its structures. Development of the IT, warehouse and customer support systems is ongoing. Key appointments at head office have been made to fill newly created positions enhancing IT, project management, customer support and service. The ANP range of nutritional supplements continues to expand with new products being added and further growth in its international market through the appointment of new distributors.

Principal risks and uncertainties

The directors consider that the principal risk and uncertainty facing the company continues to be factors arising from the effects of the economic climate on its client base. In addition, the company is exposed to the effect of foreign exchange rates on its purchases from its principal in the USA although this risk is minimised through appropriate foreign exchange management.

Future developments

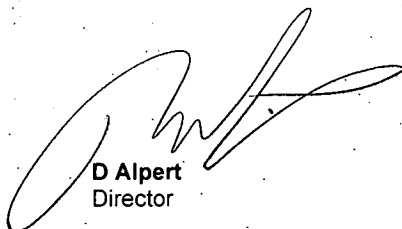
The directors will continue to grow the business through innovation, client support and brand development. In the core distribution business, the successful strategies already in place will form the platform for continued growth. For its ANP food supplement range, further international distributors will be appointed and existing distributors developed. New products will be brought to both local and international markets.

The company will continue to embrace a philosophy that puts the good of the environment at the core of its activities. In line with this, it will be launching its own charitable foundation in the forthcoming year.

This report was approved by the board on

4th OCTOBER 2019

and signed on its behalf.



D Alpert
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

The directors present their report and the financial statements for the year ended 28 February 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

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

The 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 to enable them to ensure that the financial statements 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,898,891 (2018 - £611,917).

During the year, the company paid dividends of £525,000 (2018: £250,000).

Directors

The directors who served during the year were:

D Alpert
T Alpert
M Evans
N Bell

Future developments

The company continues to prioritise core initiatives focused on building a long term sustainable business.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

IIAA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Auditor

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

This report was approved by the board on **4TH OCTOBER 2019** and signed on its behalf.



D Alpert
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IIAA LIMITED

Opinion

We have audited the financial statements of IIAA Limited (the 'Company') for the year ended 28 February 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IIAA LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

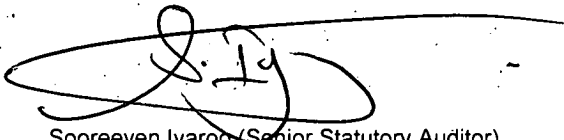
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

IIAA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IIAA LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's 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.



Sooreeyen Iyaroo (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date:

4 October 2019

IIAA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Note	2019 £	2018 £
Turnover	4	27,204,707	23,464,805
Cost of sales		(11,745,521)	(10,232,297)
Gross profit		15,459,186	13,232,508
Administrative expenses		(13,174,238)	(12,420,958)
Operating profit	5	2,284,948	811,550
Interest receivable and similar income	9	128	7
Interest payable and expenses	10	(54,027)	(35,084)
Profit before tax		2,231,049	776,473
Tax on profit	11	(332,158)	(164,556)
Profit for the financial year		1,898,891	611,917

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 11 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	5,663	-
Tangible assets	14	1,030,179	597,679
		<u>1,035,842</u>	<u>597,679</u>
Current assets			
Stocks	15	4,756,998	3,117,903
Debtors: amounts falling due within one year	16	3,887,492	4,177,915
Cash at bank and in hand	17	629,117	568,873
		<u>9,273,607</u>	<u>7,864,691</u>
Creditors: amounts falling due within one year	18	(5,826,978)	(5,480,347)
Net current assets		<u>3,446,629</u>	<u>2,384,344</u>
Total assets less current liabilities		<u>4,482,471</u>	<u>2,982,023</u>
Creditors: amounts falling due after more than one year	19	(404,631)	(278,074)
Net assets		<u><u>4,077,840</u></u>	<u><u>2,703,949</u></u>
Capital and reserves			
Called up share capital	23	980	980
Profit and loss account	24	4,076,860	2,702,969
		<u>4,077,840</u>	<u>2,703,949</u>

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

4TH OCTOBER 2019

M Evans
 Director

The notes on pages 11 to 27 form part of these financial statements.

IIAA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2018	980	2,702,969	2,703,949
Profit for the year	-	1,898,891	1,898,891
Dividends: Equity capital	-	(525,000)	(525,000)
At 28 February 2019	980	4,076,860	4,077,840

The notes on pages 11 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2017	980	2,341,052	2,342,032
Profit for the year	-	611,917	611,917
Dividends: Equity capital	-	(250,000)	(250,000)
At 28 February 2018	980	2,702,969	2,703,949

The notes on pages 11 to 27 form part of these financial statements.

IIAA LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,898,891	611,917
Adjustments for:		
Depreciation of tangible assets	364,525	238,346
Loss on disposal of tangible assets	(216)	(192)
Interest paid	54,027	35,084
Interest received	(128)	(7)
Taxation charge	332,158	164,556
(Increase) in stocks	(1,639,095)	(68,509)
Decrease/(increase) in debtors	337,802	(660,914)
(Increase)/decrease in amounts owed by groups	(63,386)	-
(Decrease)/increase in creditors	(1,884,681)	102,179
Corporation tax (paid)	(297,629)	(193,898)
Net cash generated from operating activities	(897,732)	228,562
Cash flows from investing activities		
Purchase of intangible fixed assets	(5,875)	-
Purchase of tangible fixed assets	(799,007)	(340,185)
Sale of tangible fixed assets	2,410	4,158
Interest received	128	7
Net cash from investing activities	(802,344)	(336,020)
Cash flows from financing activities		
New secured loans	2,340,590	1,587,538
Repayment of loans	-	(1,079,939)
Repayment of/new finance leases	(1,243)	(23,248)
Dividends paid	(525,000)	(250,000)
Interest paid	(54,027)	(35,084)
Net cash used in financing activities	1,760,320	199,267
Net increase in cash and cash equivalents	60,244	91,809
Cash and cash equivalents at beginning of year	568,873	477,064
Cash and cash equivalents at the end of year	629,117	568,873
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	629,117	568,873
	629,117	568,873

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

1. General information

IIAA Limited is a private company limited by shares incorporated in England and Wales.

The Registered Office is 1st Floor Stanmore House, 15-19 Church Road, Stanmore, Middlesex, HA7 4AR. The company's trading address is 12 Priestley Way, London NW2 7AN.

The company's principal activity is that of the import and distribution of goods for resale in the beauty sector.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

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

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

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

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

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

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property and equipment	-	20% and 33.33% straight line
Plant and machinery	-	33% Over 3 years
Motor vehicles	-	25% reducing balance
Fixtures, fittings and equipment	-	20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities including trade and other debtors and creditors, loans from banks and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the process of applying its accounting policies, the directors are required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements effect the carrying value of assets and liabilities at the date of financial statements and the revenues and expenses recognised in the period.

The following are the estimates and judgements that the directors consider to have the most significant impact on the annual results under FRS102.

Property, plant and equipment (PPE)

The estimated useful lives of PPE are based on management's judgement and experience. When management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of PPE investment to the company, variations between actual and estimated useful economic lives could impact on operating results both positively and negatively, although historically no changes have been required.

Revenue recognition and allowance for doubtful receivables

The company recognises revenue generally at the time of delivery and when collection of the resulting receivable is reasonably assured. When the company considers that the criteria for revenue recognition are not met for a transaction, revenue recognition is delayed until such time as collectability is reasonably assured. Payments received in advance of revenue recognition are recorded as deferred income. At each reporting date, the company evaluate the recoverability of trade receivables and record allowances for doubtful receivables based on experience. These allowances are based on, amongst other things, a consideration of actual collection history. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

IIAA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

4. Turnover

	2019 £	2018 £
Analysis of turnover by geographical market		
UK	20,043,648	18,792,445
Europe	6,257,816	3,992,115
North America	765,173	671,579
Rest of world	138,070	8,666
	<u>27,204,707</u>	<u>23,464,805</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	(120,622)	(65,060)
Other operating lease rentals	<u>609,383</u>	<u>555,971</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>20,500</u>	<u>19,500</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	-	2,550
All other services	<u>66,087</u>	<u>13,810</u>
	<u>66,087</u>	<u>16,360</u>

IIAA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	6,935,008	6,643,873
Social security costs	795,089	583,956
Cost of defined contribution scheme	112,527	65,947
	<u>7,842,624</u>	<u>7,293,776</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Administration	35	30
Development	21	28
Distribution	29	28
Sales	93	96
	<u>178</u>	<u>182</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	591,448	455,925
Company contributions to defined contribution pension schemes	16,563	5,533
	<u>608,011</u>	<u>461,458</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £160,838 (2018 - £145,792).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,009 (2018 - £NIL).

The directors are considered as key management personnel and details of their remuneration are disclosed above.

IIAA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

9. Interest receivable

	2019 £	2018 £
Other interest receivable	128	7
	<u>128</u>	<u>7</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	31,156	13,661
Other loan interest payable	22,871	21,423
	<u>54,027</u>	<u>35,084</u>

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	329,249	176,886
Adjustments in respect of previous periods	(13,095)	-
	<u>316,154</u>	<u>176,886</u>
Total current tax	<u>316,154</u>	<u>176,886</u>
Deferred tax		
Origination and reversal of timing differences	16,004	(12,330)
Total deferred tax	<u>16,004</u>	<u>(12,330)</u>
Taxation on profit on ordinary activities	<u>332,158</u>	<u>164,556</u>

IIAA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	2,231,050	776,473
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	423,900	147,530
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,999	14,860
Capital allowances for year in excess of depreciation	-	25,753
Adjustments to tax charge in respect of prior periods	(13,095)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(86,701)	(31,382)
Patent box additional deduction	(8,093)	-
Other differences leading to an increase (decrease) in the tax charge	3,148	7,795
Total tax charge for the year	332,158	164,556

12. Dividends

	2019 £	2018 £
Dividends - Equity	525,000	250,000
	525,000	250,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

13. Intangible assets

	Intellectual Property £	Goodwill £	Total £
Cost			
At 1 March 2018	-	78,508	78,508
Additions	5,875	-	5,875
At 28 February 2019	5,875	78,508	84,383
Amortisation			
At 1 March 2018	-	78,508	78,508
Charge for the year	212	-	212
At 28 February 2019	212	78,508	78,720
Net book value			
At 28 February 2019	5,663	-	5,663
At 28 February 2018			

IIAA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

14. Tangible fixed assets

	Long-term leasehold property and Leased Equipment £	Plant and machinery £	Total £
Cost or valuation			
At 1 March 2018	265,339	1,944,586	2,209,925
Additions	-	799,007	799,007
Disposals	-	(763,144)	(763,144)
At 28 February 2019	265,339	1,980,449	2,245,788
Depreciation			
At 1 March 2018	265,339	1,346,906	1,612,245
Charge for the year on owned assets	-	364,315	364,315
Disposals	-	(760,951)	(760,951)
At 28 February 2019	265,339	950,270	1,215,609
Net book value			
At 28 February 2019	-	1,030,179	1,030,179
At 28 February 2018	-	597,679	597,679

15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	4,756,998	3,117,903
	4,756,998	3,117,903

IIAA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

16. Debtors

	2019 £	2018 £
Trade debtors	2,333,417	2,592,392
Amounts owed by related company	1,050,017	986,631
Other debtors	406,379	131,567
Prepayments and accrued income	97,383	451,025
Deferred taxation	296	16,300
	<u>3,887,492</u>	<u>4,177,915</u>

Included in trade debtors are £2,070,311 (2018: £2,386,917) of debts, which have been assigned to the finance company. At the year end £1,281,552 (2018: £973,331) was owing to the finance company, this amount is included in bank loans and overdrafts.

17. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	629,117	568,873
	<u>629,117</u>	<u>568,873</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	2,440,653	226,620
Trade creditors	1,764,346	2,089,752
Corporation tax	195,111	176,587
Other taxation and social security	182,394	288,550
— Obligations under finance lease and hire purchase contracts	-	1,244
Pension fund loan payable	-	2
Other creditors	320,629	1,971,468
Accruals and deferred income	923,845	726,124
	<u>5,826,978</u>	<u>5,480,347</u>

Assets held under finance leases are secured over the assets to which they relate.

Included in bank loans and overdrafts due within one year is an amount of £1,281,552 (2018: £973,331) in relation to an invoice discounting facility. The liability is secured against the related debtor balances which are included within trade debtors.

The Company has entered into a number of fixed term bank loans that are repayable over a period of 3 years. The bank loans bear interest at a rate of 2.55% above the Bank of England base rate. The loans are secured as follows

- a) debenture comprising fixed and floating charges over all the assets and undertakings of the Company;
- b) personal guarantees from some of the directors to the amount of £350,000.

19. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	404,631	278,074
	<u>404,631</u>	<u>278,074</u>

Secured loans

Details of the security over the above loans are included in note 18 to the financial statements.

IIAA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

20. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	2,440,653	226,620
	<u>2,440,653</u>	<u>226,620</u>
Amounts falling due 1-2 years		
Bank loans	404,631	278,074
	<u>404,631</u>	<u>278,074</u>
	<u>2,845,284</u>	<u>504,694</u>

21. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	629,117	568,873
Financial assets that are debt instruments measured at amortised cost	3,751,750	3,710,588
	<u>4,380,867</u>	<u>4,279,461</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(5,581,184)</u>	<u>(5,041,715)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by related companies and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans other creditors and accruals.

IIAA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

22. Deferred taxation

	2019 £	2018 £
At beginning of year	16,300	3,970
Charged to profit or loss	(16,004)	12,330
At end of year	296	16,300

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	296	16,300
	296	16,300

23. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
98,000 (2018 - 98,000) Ordinary shares of £0.01 each	980	980

24. Reserves**Profit and loss account**

Includes all current and prior period retained profits and losses accumulated to date.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £112,527 (2018 - £65,9471). Contributions totalling £19,027 (2018 - £9,009) were payable to the fund at the reporting date

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

26. Commitments under operating leases

At 28 February 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	241,419	223,045
Later than 1 year and not later than 5 years	117,427	1,338,053
Later than 5 years	-	488,681
	<u>358,846</u>	<u>2,049,779</u>

27. Related party transactions

Included in other creditors is a loan of £209,443 (2018: £196,865) from D Alpert, a director of the company.

Included in other creditors is a loan of £44,449 (2018: £44,449) from T Alpert, a director of the company.

Included in other debtors is an amount for £14,068.85 (2018: £nil) from Helston Trading Company, the parent undertaking.

Amounts owed by related company comprise of £1,030,998 (2018: £979,664) advances to Skintech Life Science Limited, a company with common directors.

28. Controlling party

The parent company is Helston Trading Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party of IIAA Limited is considered to be David Alpert.