
IIAA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

IIAA LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | D Alpert T Alpert N Bell (resigned 31 March 2023) M Evans |
| Company secretary | David Alpert |
| Registered number | 02810868 |
| Registered office | C/O Cowen Suite Kinetic Centre Theobald Street Borehamwood Hertfordshire WD6 4PJ |
| Independent auditor | Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG |

IIAA LIMITED

CONTENTS

| | Page |
|--|---------|
| Strategic Report | 1 - 2 |
| Directors' Report | 3 - 4 |
| Independent Auditor's Report | 5 - 8 |
| Statement of Comprehensive Income | 9 |
| Statement of Financial Position | 10 |
| Statement of Changes in Equity | 11 |
| Statement of Cash Flows | 12 - 13 |
| Analysis of Net Debt | 14 |
| Notes to the Financial Statements | 15 - 37 |

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023**

Introduction

The directors present their strategic report for the year ended 28 February 2023.

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

Business review and financial key performance indicators

The company experienced a drop in turnover this year as the return to business of salons & spas across the UK and Ireland proved to be slow following the closures experienced through the Coronavirus pandemic. In addition, the company terminated its distribution agreement for Jane Iredale in the UK and Ireland in early 2022 with a resultant loss of comparable turnover of just over £2m this financial year. As a result, turnover fell 16.95% to £24,492,267. Gross profit percentage was 55%. The directors consider these measures of performance to be the key performance indicators. Prior year operating profit was significantly higher as a result of a one-off receipt of £8,000,000 received for the lease surrender of our former head office site and the compensation for resultant business interruption experienced.

The company continues to invest in future growth, new products and its structures. Development of the IT, ERP and customer support systems is ongoing. Significant investment has been made in PR, Creative and Digital resources to build for further growth. As with last year the ANP range of nutritional supplements continued to expand with further new products being added and growth in its international market. Investment has been made in developing a skin-focused cosmetic range Et AI which is due to be rolled out in the next financial year.

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, increasing supplier costs and potential damage from the pandemic on its client base. Post Brexit regulations governing the distribution of product to our ROI clients has made this a more complicated logistical exercise which the company continues to review.

Financial risk management

The company's financial risk management policy seeks to ensure that adequate financial measures are retained to enable it to meet its day to day obligations as they fall due whilst managing its liquidity and credit risks.

Credit risk: most of the company's turnover is in the form of cash or credit card payments. Credit risk is effectively mitigated through credit being spread over a large client base with credit insurance cover in place.

Cash flow risk: the company monitors cash flow as part of its day to day activities allowing for its effective management. In addition, the company has significant cash reserves.

Liquidity Risk: the company has no significant long term external debt, so this risk is low. The company manages liquidity through short term credit facilities and its cash reserves.

Currency Risk: the company has some suppliers in the EU. The majority of sales are in GBP however it does have sales to ROI generating euros currency which serves to minimise risk in currency fluctuations with EU suppliers

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

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 future growth. For its ANP food supplement range, further international distributors will be appointed, and existing distributors developed. New products delivering impressive results will be trialled, developed, and brought to both local and international markets. The company will launch a new cosmetic range called Et Al in May 2023 which will complement its skin-focused strategy embodied in its other two brands. In the fourth quarter of the new financial year the company will switch over to a new ERP system which will greatly improve its efficiencies and processes. Further, the new Eventis Salon Business System will roll out in the final quarter of 2023/24 following salon trials in some of our existing salons. It is envisaged that this will greatly enhance the salon's service offer and benefit both the salon and the company in terms of revenue generation.

The company will continue to embrace a philosophy that puts the good of the environment at the core of its activities.

This report was approved by the board on 29 February 2024 and signed on its behalf.

D Alpert
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023**

The directors present their report and the financial statements for the year ended 28 February 2023.

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 loss for the year, after taxation, amounted to £1,201,187 (2022 - profit £8,226,322).

The company paid dividends of £3,000,000 (2022: £3,000,000).

Directors

The directors who served during the year were:

D Alpert
T Alpert
N Bell (resigned 31 March 2023)
M Evans

Future developments

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

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.

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 29 February 2024 and signed on its behalf.

D Alpert

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IIAA LIMITED

Opinion

We have audited the financial statements of iiaa Limited (the 'Company') for the year ended 28 February 2023, 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 2023 and of its loss 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 set out on page 3, 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we have identified the principal risks of non-compliance with laws and regulations, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Cut-off testing of revenue around year end to identify any fraud;
- Identifying and testing journals, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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.

Anastasia Frangos (Senior Statutory Auditor)

for and on behalf of

Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

29 February 2024

IIAA LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2023

| | Note | 2023 £ | 2022 £ |
|---|------|---------------------------|-------------------------|
| Turnover | 4 | 24,492,267 | 29,492,133 |
| Cost of sales | | (10,886,292) | (13,031,805) |
| Gross profit | | 13,605,975 | 16,460,328 |
| Administrative expenses | | (14,707,931) | (13,994,548) |
| Other operating income | 5 | - | 7,780,959 |
| Operating (loss)/profit | 6 | (1,101,956) | 10,246,739 |
| Interest receivable and similar income | 10 | 185,337 | 53,003 |
| Interest payable and similar expenses | 11 | (77,968) | (11,072) |
| (Loss)/profit before tax | | (994,587) | 10,288,670 |
| Tax on (loss)/profit | 12 | (206,600) | (2,062,348) |
| (Loss)/profit for the financial year | | <u>(1,201,187)</u> | <u>8,226,322</u> |

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 15 to 37 form part of these financial statements.

IIAA LIMITED
REGISTERED NUMBER: 02810868

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | 14 | 1,924,989 | 1,534,265 |
| Tangible assets | 15 | 3,605,597 | 3,472,512 |
| | | <u>5,530,586</u> | <u>5,006,777</u> |
| Current assets | | | |
| Stocks | 16 | 5,347,763 | 6,238,530 |
| Debtors: amounts falling due within one year | 17 | 4,152,792 | 4,835,699 |
| Current asset investments | 18 | 4,991,922 | 4,839,743 |
| Cash at bank and in hand | 19 | 1,335,615 | 4,267,568 |
| | | <u>15,828,092</u> | <u>20,181,540</u> |
| Creditors: amounts falling due within one year | 20 | (3,874,397) | (4,443,283) |
| Net current assets | | <u>11,953,695</u> | <u>15,738,257</u> |
| Total assets less current liabilities | | <u>17,484,281</u> | <u>20,745,034</u> |
| Creditors: amounts falling due after more than one year | 21 | (797,538) | (288,359) |
| Provisions for liabilities | | | |
| Deferred tax | 24 | (700,406) | (269,151) |
| | | <u>(700,406)</u> | <u>(269,151)</u> |
| Net assets | | <u><u>15,986,337</u></u> | <u><u>20,187,524</u></u> |
| Capital and reserves | | | |
| Called up share capital | 25 | 980 | 980 |
| Profit and loss account | 26 | 15,985,357 | 20,186,544 |
| | | <u><u>15,986,337</u></u> | <u><u>20,187,524</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 February 2024.

M Evans
Director

The notes on pages 15 to 37 form part of these financial statements.

IIAA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2023**

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|----------------------------|---------------------------------|---------------------------------|-------------------|
| At 1 March 2021 | 980 | 14,960,222 | 14,961,202 |
| Profit for the year | - | 8,226,322 | 8,226,322 |
| Dividends: Equity capital | - | (3,000,000) | (3,000,000) |
| | <hr/> | <hr/> | <hr/> |
| At 1 March 2022 | 980 | 20,186,544 | 20,187,524 |
| Loss for the year | - | (1,201,187) | (1,201,187) |
| Dividends: Equity capital | - | (3,000,000) | (3,000,000) |
| | <hr/> | <hr/> | <hr/> |
| At 28 February 2023 | <u>980</u> | <u>15,985,357</u> | <u>15,986,337</u> |

The notes on pages 15 to 37 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

| | 2023 £ | 2022 £ |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| (Loss)/profit for the financial year | (1,201,187) | 8,226,322 |
| Adjustments for: | | |
| Amortisation of intangible assets | 338,552 | 524,431 |
| Depreciation of tangible assets | 540,608 | - |
| Loss on disposal of tangible assets | - | 38,821 |
| Interest paid | 77,968 | 11,072 |
| Interest received | (185,337) | (53,003) |
| Taxation charge | 206,600 | 1,710,994 |
| Decrease/(increase) in stocks | 890,767 | (580,061) |
| Decrease in debtors | 1,097,273 | 1,059,959 |
| (Increase)/decrease in amounts owed by groups | (139,812) | - |
| (Decrease)/increase in creditors | (842,355) | 1,383,072 |
| Net fair value (gains)/losses recognised in P&L | (281,315) | - |
| Corporation tax (paid) | (50,000) | (3,613,501) |
| Net cash generated from operating activities | <u>451,762</u> | <u>8,708,106</u> |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (729,276) | (375,395) |
| Purchase of tangible fixed assets | (673,693) | (2,337,930) |
| Sale of tangible fixed assets | - | (1,011) |
| Purchase of short-term listed investments | (561,213) | (4,899,536) |
| Sale of short-term listed investments | 690,450 | 61,429 |
| Interest received | 185,337 | 53,003 |
| Net cash from investing activities | <u>(1,088,395)</u> | <u>(7,499,440)</u> |
| Cash flows from financing activities | | |
| New secured loans | 1,000,000 | 525,000 |
| Repayment of loans | (217,352) | (227,204) |
| Dividends paid | (3,000,000) | (3,000,000) |
| Interest paid | (77,968) | (11,072) |
| Net cash used in financing activities | <u>(2,295,320)</u> | <u>(2,713,276)</u> |
| Net (decrease) in cash and cash equivalents | <u>(2,931,953)</u> | <u>(1,504,610)</u> |
| Cash and cash equivalents at beginning of year | 4,267,568 | 5,772,178 |
| Cash and cash equivalents at the end of year | <u><u>1,335,615</u></u> | <u><u>4,267,568</u></u> |

IIAA LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 1,335,615 | 4,267,568 |
| | <u>1,335,615</u> | <u>4,267,568</u> |

The notes on pages 15 to 37 form part of these financial statements.

IIAA LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 28 FEBRUARY 2023**

| | At 1 March 2022 £ | Cash flows £ | Other non-cash changes £ | At 28 February 2023 £ |
|--------------------------|-------------------------|--------------------|--------------------------------|-----------------------------|
| Cash at bank and in hand | 4,267,568 | (2,931,953) | - | 1,335,615 |
| Debt due after 1 year | (272,346) | (525,192) | - | (797,538) |
| Debt due within 1 year | (263,629) | (878,157) | - | (1,141,786) |
| Liquid investments | 1,999,082 | - | 164,218 | 2,163,300 |
| | <u>5,730,675</u> | <u>(4,335,302)</u> | <u>164,218</u> | <u>1,559,591</u> |

The notes on pages 15 to 37 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

1. General information

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

The Registered Office is C/O Cowen Suite Kinetic Centre, Theobald Street, Borehamwood, Hertfordshire, England, WD6 4PJ. The company's trading address is Riverside House, 2a Southwark Bridge Road, London, SE1 9HA.

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 Going concern

The Directors have assessed the appropriateness of the going concern basis by preparing cash flow forecasts through to February 2025, covering the 12 month period beyond the signing date of these financial statements.

The Directors are satisfied that the Company should continue to have the ability to meet its ongoing liabilities as and when they fall due for period of at least twelve months from the date that these financial statements are signed. Accordingly, the Directors consider it appropriate to adopt the going concern basis for the preparation of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.3 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 profit or loss 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 profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.4 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.

2.5 Operating leases: the Company as lessee

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

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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.

2.13 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

2.14 Tangible fixed assets

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following annual basis:

| | |
|---------------------------|------------------------------------|
| Leasehold property | - over the lease terms, 7-10 years |
| Plant and machinery | - 3 years straight line |
| Assets under construction | - 3 years straight line |

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under construction are not depreciated until they are brought into use.

2.15 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

2.17 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.18 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.

2.19 Creditors

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

2.20 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.21 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.21 Financial instruments (continued)

arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

2.22 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.

2.23 Business interruption income

Compensation received for business interruption is recognised on receipt in the Statement of Comprehensive Income.

2.24 Lease surrender incentive

Compensation received for surrender of lease is recognised on receipt in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

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 FRS 102.

Tangible and intangible fixed assets

The estimated useful lives of tangible and intangible fixed assets 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 tangible and intangible asset 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.

Business interruption income due to lease surrender

When compensation for business interruption due to lease surrender is received, the Company's management is required to assess the conditions attached to the compensation to determine its appropriate accounting treatment. The gross proceeds from compensation for business interruption are recognised in the income statement as other operating income when the receipt of the proceeds is virtually certain and that there are no unfulfilled performance obligations attached to the income.

Stock valuation

Stock is carried at the lower of cost and net realisable value, on a first in first out basis. A provision is also made to write down any slow-moving or obsolete inventory to net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

4. Turnover

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Analysis of turnover by geographical market | | |
| UK | 16,344,551 | 20,706,364 |
| Europe | 7,361,724 | 7,713,298 |
| North America | 584,588 | 487,466 |
| Rest of world | 201,404 | 585,005 |
| | <u>24,492,267</u> | <u>29,492,133</u> |

5. Other operating income

| | 2023 £ | 2022 £ |
|---|-----------|------------------|
| Compensation for lease surrender | - | 8,000,000 |
| Coronavirus Job Retention Scheme grants | - | 49,933 |
| Coronavirus Job Retention Scheme grants - repayment | - | (268,974) |
| | <u>-</u> | <u>7,780,959</u> |

A voluntary repayment was made in the 2022 financial year in respect of Coronavirus Job Retention Scheme grants received in 2021 and 2022.

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

| | 2023 £ | 2022 £ |
|--------------------------------------|----------------|----------------|
| Exchange differences | 129,291 | (120,825) |
| Other operating lease rentals | 1,143,295 | 712,380 |
| Depreciation and amortisation charge | <u>879,160</u> | <u>524,431</u> |

7. Auditor's remuneration

| | 2023 £ | 2022 £ |
|---|---------------|---------------|
| Fees payable to the Company's auditor for the audit of the Company's financial statements | <u>37,000</u> | <u>34,500</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

8. Employees

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

| | 2023 £ | 2022 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 6,610,536 | 6,344,891 |
| Social security costs | 743,974 | 707,242 |
| Cost of defined contribution scheme | 237,435 | 162,458 |
| | <u>7,591,945</u> | <u>7,214,591</u> |

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

| | 2023 No. | 2022 No. |
|----------------|-------------|-------------|
| Administration | 31 | 37 |
| Development | 17 | 14 |
| Distribution | 31 | 31 |
| Sales | 81 | 73 |
| | <u>160</u> | <u>155</u> |

9. Directors' remuneration

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Directors' emoluments | 490,123 | 688,363 |
| Company contributions to defined contribution pension schemes | 26,344 | 25,063 |
| | <u>516,467</u> | <u>713,426</u> |

During the year retirement benefits were accruing to 2 directors (2022 - 23) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £231,560 (2022 - £230,832).

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £21,656 (2022 - £20,555).

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 2023

10. Interest receivable

| | 2023 £ | 2022 £ |
|---------------------------|----------------|---------------|
| Other interest receivable | 185,337 | 53,003 |
| | <u>185,337</u> | <u>53,003</u> |

11. Interest payable and similar expenses

| | 2023 £ | 2022 £ |
|-----------------------------|---------------|---------------|
| Bank interest payable | 26,108 | 8,688 |
| Other loan interest payable | 51,860 | 2,384 |
| | <u>77,968</u> | <u>11,072</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

12. Taxation

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | (224,655) | 1,710,994 |
| | <u>(224,655)</u> | <u>1,710,994</u> |
| Total current tax | <u>(224,655)</u> | <u>1,710,994</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 431,255 | 351,354 |
| Total deferred tax | <u>431,255</u> | <u>351,354</u> |
| Taxation on profit on ordinary activities | <u>206,600</u> | <u>2,062,348</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

| | 2023 £ | 2022 £ |
|---|----------------|------------------|
| (Loss)/profit on ordinary activities before tax | (994,587) | 10,288,670 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%) | (231,283) | 1,954,847 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 17,924 | 79,386 |
| Capital allowances for year in excess of depreciation | - | (33,099) |
| Utilisation of tax losses | 175,549 | - |
| Adjustments to tax charge in respect of prior periods | (221,065) | - |
| Remeasurement of deferred tax for change in tax rates | 26,533 | - |
| Chargeable gains | 97,780 | - |
| Adjustments to tax charge in respect of previous periods - deferred tax | 320,697 | - |
| Other differences leading to an increase (decrease) in the tax charge | (2,464) | (55,288) |
| Deferred tax not recognised | - | 144,558 |
| Fixed asset differences | 22,929 | (2,683) |
| Additional deduction for R&D expenditure | - | (25,373) |
| Total tax charge for the year | 206,600 | 2,062,348 |

Factors that may affect future tax charges

It is expected that the UK corporation tax rate will increase to 25% from 1 April 2023.

13. Dividends

| | 2023 £ | 2022 £ |
|-----------|------------------|------------------|
| Dividends | 3,000,000 | 3,000,000 |
| | <u>3,000,000</u> | <u>3,000,000</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

14. Intangible assets

| | Intellectual Property £ | Development Costs £ | Total £ |
|-------------------------------------|-------------------------------|---------------------------|------------|
| Cost | | | |
| At 1 March 2022 | 7,019 | 1,779,610 | 1,786,629 |
| Additions | - | 729,276 | 729,276 |
| At 28 February 2023 | 7,019 | 2,508,886 | 2,515,905 |
| Amortisation | | | |
| At 1 March 2022 | 1,217 | 251,147 | 252,364 |
| Charge for the year on owned assets | 350 | 338,202 | 338,552 |
| At 28 February 2023 | 1,567 | 589,349 | 590,916 |
| Net book value | | | |
| At 28 February 2023 | 5,452 | 1,919,537 | 1,924,989 |
| At 28 February 2022 | 5,802 | 1,528,463 | 1,534,265 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

15. Tangible fixed assets

| | Long-term leasehold property £ | Plant and machinery £ | Assets under construction £ | Total £ |
|-------------------------------------|---|-----------------------------|-----------------------------------|------------|
| Cost or valuation | | | | |
| At 1 March 2022 | 2,794,271 | 1,193,565 | 973,060 | 4,960,896 |
| Additions | 159,440 | 137,248 | 377,005 | 673,693 |
| At 28 February 2023 | 2,953,711 | 1,330,813 | 1,350,065 | 5,634,589 |
| Depreciation | | | | |
| At 1 March 2022 | 499,236 | 989,148 | - | 1,488,384 |
| Charge for the year on owned assets | 430,778 | 109,830 | - | 540,608 |
| At 28 February 2023 | 930,014 | 1,098,978 | - | 2,028,992 |
| Net book value | | | | |
| At 28 February 2023 | 2,023,697 | 231,835 | 1,350,065 | 3,605,597 |
| At 28 February 2022 | 2,295,035 | 204,417 | 973,060 | 3,472,512 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

16. Stocks

| | 2023 £ | 2022 £ |
|-------------------------------------|------------------|------------------|
| Finished goods and goods for resale | 5,347,763 | 6,238,530 |
| | <u>5,347,763</u> | <u>6,238,530</u> |

17. Debtors

| | 2023 £ | 2022 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 1,250,970 | 2,214,846 |
| Amounts owed by group undertakings | 1,460,322 | 1,320,510 |
| Other debtors | 54,172 | 183,043 |
| Prepayments and accrued income | 855,855 | 860,382 |
| Tax recoverable | 531,473 | 256,918 |
| | <u>4,152,792</u> | <u>4,835,699</u> |

18. Current asset investments

| | 2023 £ | 2022 £ |
|------------------------------------|------------------|------------------|
| Investments measured at fair value | 2,163,300 | 1,999,082 |
| Investments measured at cost | 2,828,622 | 2,840,661 |
| | <u>4,991,922</u> | <u>4,839,743</u> |

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Movement in investments measured at fair value | | |
| Market value brought forward | 1,999,082 | - |
| Additions to investments at cost | 561,213 | 2,058,875 |
| Disposals at carrying value | (690,450) | (61,429) |
| Net gain/(loss) on revaluation | 293,455 | 1,636 |
| Market value as at year-end | <u>2,163,300</u> | <u>1,999,082</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Investments at fair value comprise of: | | |
| Equities - listed | 133,565 | 116,153 |
| Equities - unlisted | 1,902,062 | 1,599,003 |
| Cash held within the investment portfolio | 127,673 | 283,926 |
| Total | 2,163,300 | 1,999,082 |
| | 2023 £ | 2022 £ |
| Investments measured at cost | | |
| Brought forward | 2,840,661 | - |
| Additions to investment at cost | - | 2,840,661 |
| Foreign exchange movement | (12,039) | - |
| Total at year-end | 2,828,622 | 2,840,661 |

Net cash released from investments in the year was £nil.

Listed investments in equities are carried at their fair value. The basis of this fair value is quoted prices in an active market. Unlisted investments in equities are also carried at their fair value. The basis of this fair value is using valuation techniques from observable market data. Asset sale and purchases are recognised at the date of trade at cost (that is their transaction value).

Investments measured at cost relate to short-term loans receivable which attract interest.

19. Cash and cash equivalents

| | 2023 £ | 2022 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 1,335,615 | 4,267,568 |
| | 1,335,615 | 4,267,568 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

20. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|------------------|------------------|
| Bank loans | 439,721 | 166,252 |
| Trade creditors | 1,071,521 | 1,798,226 |
| Amounts owed to group undertakings | 750 | 750 |
| Other taxation and social security | 354,403 | 351,233 |
| Other creditors | 605,577 | 189,965 |
| Accruals and deferred income | 1,402,425 | 1,936,857 |
| | <u>3,874,397</u> | <u>4,443,283</u> |

The company entered into two fixed term bank loans in the year. The loans bear interest at a rate of 2.55% per annum over the Bank of England Base Rate payable on the outstanding principal amount of the loan on a monthly basis and on the final repayment date. Bank loans existing as at the prior year end were fully repaid within the year.

The loans in place are secured by a debenture comprising fixed and floating charges over all the assets and undertakings of the company.

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

| | 2023 £ | 2022 £ |
|------------|----------------|----------------|
| Bank loans | 797,538 | 288,359 |
| | <u>797,538</u> | <u>288,359</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

22. Loans

Analysis of the maturity of loans is given below:

| | 2023 £ | 2022 £ |
|--|------------------|----------------|
| Amounts falling due within one year | | |
| Bank loans | 439,721 | 166,252 |
| Amounts falling due 1-2 years | | |
| Bank loans | 416,926 | 166,252 |
| Amounts falling due 2-5 years | | |
| Bank loans | 380,612 | 122,107 |
| | <u>1,237,259</u> | <u>454,611</u> |

23. Financial instruments

| | 2023 £ | 2022 £ |
|---|--------------------|--------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 3,498,915 | 6,266,650 |
| Financial assets that are debt instruments measured at amortised cost | 5,594,086 | 6,559,059 |
| | <u>9,093,001</u> | <u>12,825,709</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(3,975,138)</u> | <u>(4,299,045)</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 2023**

24. Deferred taxation

| | 2023 £ | 2022 £ |
|---------------------------|------------------|------------------|
| At beginning of year | (269,151) | 82,203 |
| Charged to profit or loss | (431,255) | (351,354) |
| At end of year | <u>(700,406)</u> | <u>(269,151)</u> |

The provision for deferred taxation is made up as follows:

| | 2023 £ | 2022 £ |
|--------------------------------|------------------|------------------|
| Accelerated capital allowances | (671,748) | (318,183) |
| Short term timing differences | 83,803 | 49,099 |
| Capital gains | (112,461) | (67) |
| | <u>(700,406)</u> | <u>(269,151)</u> |

25. Share capital

| | 2023 £ | 2022 £ |
|--|------------|------------|
| Allotted, called up and fully paid | | |
| 98,000 (2022 - 98,000) Ordinary shares of £0.01 each | <u>980</u> | <u>980</u> |

Ordinary shares in the company carry voting rights, the right to participate in dividend payments, and the right to participate in any other distributions (including on winding up). The ordinary shares are non-redeemable.

26. Reserves

Profit and loss account

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

27. Capital commitments

At 28 February 2023 the Company had capital commitments as follows:

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Contracted for but not provided in these financial statements | - | 141,968 |

28. 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 £237,435 (2022 - £162,458). Contributions totalling £35,306 (2022 - £30,394) were payable to the fund at the reporting date.

29. Commitments under operating leases

At 28 February 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Not later than 1 year | 845,685 | 851,469 |
| Later than 1 year and not later than 5 years | 3,178,360 | 3,385,057 |
| Later than 5 years | 2,283,325 | 2,919,299 |
| | <u>6,307,370</u> | <u>7,155,825</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

30. Related party transactions

Included in other creditors is a loan of £622,310 due to D Alpert (2022: £6,520 owed to D Alpert), a director of the company. The loan incurs interest of 2.5% per annum and is repayable on demand.

Included in other creditors is a loan of £44,449 (2022: £44,449) due to T Alpert, a director of the company. The loan incurs interest of 5% per annum and is repayable on demand.

During the year the company entered into transactions with a related party, being a company controlled by a close family member of the Alpert family. During the year, the company received consultancy services from the related party of £92,050. As at 28/02/2023, the company owed the related party £3,639 and is included within trade creditors.

Amounts owed by related companies comprise:

An amount of £3,509 (2022: £3,089) due from Green Machine Holdings Limited, a company with common directors.

An amount of £1,445,237 (2022: £1,304,691) due in relation to advances to Skintech Life Science Limited, a company with common directors.

An amount of £9,776 (2022: £7,566) due from IIAA Ireland Limited, a company with common directors.

An amount of £1,800 (2022: £5,165) due from The IIAA Charitable Foundation, a company with common directors.

31. 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.

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