

Registered number: 04031333

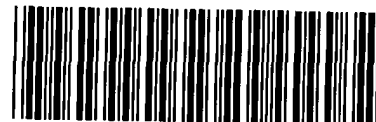
ILA-SPA LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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ILA-SPA LIMITED
REGISTERED NUMBER: 04031333

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	33,679	53,830
Tangible assets	4	28,610	19,562
Investments	6	198	198
		<u>62,487</u>	<u>73,590</u>
Current assets			
Stocks	7	97,235	155,126
Debtors: amounts falling due within one year	8	283,731	328,021
Cash at bank and in hand	9	48,766	238,342
		<u>429,732</u>	<u>721,489</u>
Creditors: amounts falling due within one year	10	(2,584,598)	(2,030,912)
Net current liabilities		<u>(2,154,866)</u>	<u>(1,309,423)</u>
Total assets less current liabilities		<u>(2,092,379)</u>	<u>(1,235,833)</u>
Creditors: amounts falling due after more than one year	11	(593,729)	(539,753)
Net liabilities		<u><u>(2,686,108)</u></u>	<u><u>(1,775,586)</u></u>
Capital and reserves			
Called up share capital		2,462	2,462
Share premium account		9,048,681	9,048,681
Profit and loss account		(11,737,251)	(10,826,729)
Shareholders' deficit		<u><u>(2,686,108)</u></u>	<u><u>(1,775,586)</u></u>

ILA-SPA LIMITED
REGISTERED NUMBER: 04031333

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



J W Leicester
Director

28/10/2019

The notes on pages 3 to 11 form part of these financial statements.

ILA-SPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General Information

Ila-Spa Limited is a private limited company, incorporated in England and Wales and its registered office is Unit 4, Gate Farm Park Road, Kiddington, Woodstock, Oxfordshire, OX20 1DB.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company owes its shareholders £2,516,577 (2017: £2,034,152) which could be required for repayment without notice. If the shareholders were to demand an immediate repayment, the company would be unable to continue trading. In this case, the going concern basis would be inappropriate.

The directors believe that the relevant shareholders are unlikely to withdraw their support in the year following the date of approval of the financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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 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'.

ILA-SPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

2.5 Website development costs

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 website development costs 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.

The estimated useful lives range as follows:

Website development costs	-	4	years
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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.

ILA-SPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 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.

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 basis:

Plant and machinery	-	20%
Fixtures and fittings	-	20%
Office equipment	-	20%
Computer equipment	-	20%

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.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.10 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.

2.11 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.

ILA-SPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 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.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the year was 22 (2017 - 27).

ILA-SPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2018	51,944	17,754	22,636	22,780	115,114
Additions	11,191	4,973	-	3,455	19,619
At 31 December 2018	63,135	22,727	22,636	26,235	134,733
Depreciation					
At 1 January 2018	42,738	11,211	20,879	20,724	95,552
Charge for the year	6,447	2,351	671	1,102	10,571
At 31 December 2018	49,185	13,562	21,550	21,826	106,123
Net book value					
At 31 December 2018	13,950	9,165	1,086	4,409	28,610
At 31 December 2017	9,206	6,543	1,757	2,056	19,562

ILA-SPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Intangible assets

	Development expenditure £
Cost	
At 1 January 2018	80,605
At 31 December 2018	<u>80,605</u>
Amortisation	
At 1 January 2018	26,775
Charge for the year	20,151
At 31 December 2018	<u>46,926</u>
Net book value	
At 31 December 2018	<u>33,679</u>
At 31 December 2017	<u>53,830</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	198
At 31 December 2018	<u>198</u>

ILA-SPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Stocks

	2018 £	2017 £
Raw materials and consumables	97,235	138,298
Finished goods and goods for resale	-	16,828
	<u>97,235</u>	<u>155,126</u>

8. Debtors

	2018 £	2017 £
Trade debtors	205,950	196,177
Other debtors	41,372	79,862
Prepayments and accrued income	36,409	51,982
	<u>283,731</u>	<u>328,021</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>48,766</u>	<u>238,342</u>

ILA-SPA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	142,655	246,740
Amounts owed to group undertakings	261,231	231,079
Corporation tax	3,476	5,343
Other taxation and social security	33,876	24,221
Other creditors	1,742,037	1,281,256
Accruals and deferred income	401,323	242,273
	<u>2,584,598</u>	<u>2,030,912</u>

Included in other creditors are loans from the shareholders totalling £1,540,852 (2017: £1,275,852), all of which are convertible into ordinary shares at the discretion of the relevant shareholders. The number of ordinary shares issued will be determined by the level of loan to be converted at the most recent issue price of shares.

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

	2018 £	2017 £
Other creditors	<u>593,729</u>	<u>539,753</u>

Included in other creditors are loans from the shareholders totalling £470,000 (2017: £470,000), all of which are convertible into ordinary shares at the discretion of the relevant shareholders. The number of ordinary shares issued will be determined by the level of loan to be converted at the most recent issue price of shares.

12. 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. Contributions totalling £609 (2017: £1,431) were payable to the fund at the balance sheet date and are included in creditors.

ILA-SPA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Related party transactions

The shareholders, including those not holding a participating interest, made advances to the company during the year. The balance outstanding including interest accrued as at 31 December 2018 was £2,516,577 (2017: £2,034,152). During the year interest was charged on the shareholders loans of £224,371.

The loans are a contribution to working capital and are repayable on demand. Interest has been charged at 10%.

At the balance sheet date a subsidiary undertaking was due £261,231 (2017: £231,079) and this is included in creditors.

The company has taken advantage of the exemption provided in FRS 102 Section 1A from disclosing transactions with members of the same group that are wholly owned.