

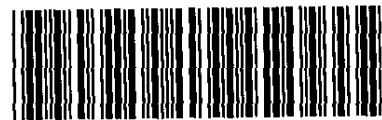
**Tropic Skin Care Limited**

**Financial statements**

**For the year ended 30 June 2017**

**Registered number: 07840950**

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**Tropic Skin Care Limited**  
**Financial Statements**  
**For the year ended 30 June 2017**

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**Tropic Skin Care Limited**  
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**Officers and professional advisers**

**The board of directors**

Lord A. M. Sugar  
S. Ma

**Company secretary**

M. E. Ray

**Registered office**

Amshold House  
Goldings Hill  
Loughton  
Essex  
IG10 2RW

**Independent auditor**

Deloitte LLP  
Statutory Auditor  
Crawley  
United Kingdom

**Bankers**

Lloyds Bank  
PO BOX 72  
Balley Drive  
Gillingham  
ME8 0L5

**Tropic Skin Care Limited**  
**Financial Statements**  
**For the year ended 30 June 2017**

**Directors' report**

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 30 June 2017.

**Principal activity**

The principal activity of the company is manufacturing and selling of skincare and cosmetic products primarily to the Ambassadors with a small portion of sales to end consumers.

**Business review**

The company performed very well during its fifth full year of trading. Sales of £12,673,722 (2016: £7,541,351) generated a profit before tax of £3,045,685 (2016: £1,500,439). The increasing revenue is attributed to the organic growth of the company in the current financial year, this has been the result of increased Ambassadors from the prior period to the current period with strong retention rate.

**Going concern**

The financial statements have been prepared on the going concern basis along with net asset position in the current and prior period, and forecasting for future periods that shows the company will continue to operate as a going concern. The company will continue to invest in all aspects of the business without affecting its ability to adapt to market forces demand for its products.

**Future developments**

The new financial year has started well, and the company continues to grow in line with expectations.

The company is expected to continue its growth in the forthcoming year via its self-employed ambassadors, due to its excellent range and quality of products.

In addition to increasing the company's market shares, the directors continue to focus on expanding the number of Ambassadors and enhancing product quality.

**Directors**

The directors, who served the company during the period were as follows:

Lord A. M. Sugar  
S. Ma

**Director's indemnities**

The company has made qualifying third party, indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**Dividends**

The directors declared dividends on the ordinary shares of the company of £2,900,000 (2016: £800,000)

**Financial risk management**

**Price risk**

The company is exposed to price risk on some raw materials. The company does not manage this exposure due to cost benefit consideration.

**Cash flow risk**

With no credit given to customers the companies cash inflow risk is limited to any general downturn in sales. The company's cash flow risk is mainly associated to its spending decisions. The company mitigates this by purchasing stock in line with the latest forecast sales and regularly reviewing its capital expenditure plans.

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**Directors' report**

***Credit risk***

The company offers no credit on its sales. The company negotiates credit on purchases wherever possible. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

***Liquidity risk***

The company has no debt and little liquidity risk.

**Disclosure of information in the strategic report**

In accordance with section 414b of the Companies Act, the company is entitled to the small companies' exemption and therefore does not disclose a strategic report.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

**Events after the Balance Sheet date**

No adjusting or non-adjusting events affecting the company have occurred since the end of the year.

**Statement as to disclosure of information to the auditor**

Deloitte LLP were appointed in office as auditor of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report is approved by the Board of directors on 26 March 2018 and signed on its behalf by:



S. Ma

Managing Director

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**Directors' responsibilities statement**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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**For the year ended 30 June 2017**

**Independent auditor's report to the members of Tropic Skin Care Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tropic Skin Care Limited (the 'company') which comprise:

- the statement of income and retained earnings;
- the statement of financial position; and
- the related notes 1 to 20.

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).

**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 UK, including the FRC'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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

**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

**Tropic Skin Care Limited**  
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**Independent auditor's report to the members of Tropic Skin Care Limited**

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 respect of these matter.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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.

**Report on other legal and regulatory requirements**

**Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or



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**Independent auditor's report to the members of Tropic Skin Care Limited**

- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

**Other matter**

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.



Hannah Pop (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Crawley, United Kingdom

Date: 26 March 2018

## Tropic Skin Care Limited

### Statement of income and retained earnings For the year ended 30 June 2017

		30 June 2017	(Unaudited) 30 June 2016
	Note	£	£
Turnover	5	12,673,722	7,541,351
Cost of sales		<u>(5,509,712)</u>	<u>(3,423,756)</u>
Gross profit		7,164,010	4,117,595
Administrative expenses		<u>(4,124,819)</u>	<u>(2,625,316)</u>
Operating profit		3,039,191	1,492,279
Finance income	4	<u>6,494</u>	<u>8,160</u>
Profit before taxation	6	3,045,685	1,500,439
Tax charge on profit	11	<u>(595,607)</u>	<u>(286,027)</u>
Profit for the financial year		<u>2,450,078</u>	<u>1,214,412</u>
Retained earnings at 1 July		742,329	327,917
Dividends paid	10	<u>(2,900,000)</u>	<u>(800,000)</u>
Retained earnings at 30 June	19	<u>292,407</u>	<u>742,329</u>

All activities of the company are from continuing operations.

There is no difference between the report result after taxation and the equivalent historical cost amount.

The company has no other recognised gains or losses in the year other than as presented in the profit and loss accounts above, therefore no separate Statement of Comprehensive Income has been presented.

## Tropic Skin Care Limited

### Statement of financial position At 30 June 2017

		30 June 2017	(Unaudited) 30 June 2016
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	12	332,097	400,442
Intangible assets	13	145,532	47,551
		<u>477,629</u>	<u>447,993</u>
<b>Current assets</b>			
Stocks	14	936,051	787,654
Debtors	15	869,199	301,505
Cash at bank and in hand		905,509	910,618
		<u>2,710,759</u>	<u>1,999,777</u>
<b>Creditors: amounts falling due within one year</b>	16	(2,695,881)	(1,505,341)
<b>Net current assets</b>		<u>14,878</u>	<u>494,436</u>
<b>Total assets less current liabilities</b>		<u>492,507</u>	<u>942,429</u>
<b>Net assets</b>		<u>492,507</u>	<u>942,429</u>
<b>Capital and reserves</b>			
Called-up share capital	17	200	200
Share premium account		199,900	199,900
Retained earnings	18	292,407	742,329
<b>Shareholders' funds</b>		<u>492,507</u>	<u>942,429</u>

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

The financial statements of Tropic Skin Care Limited (registered number 07840950) were approved by the board of directors and authorised for issue on 26 March 2018, and are signed on behalf of the board by:



S. Ma  
Managing Director

# **Tropic Skin Care Limited**

## **Notes to the financial statements For the year ended 30 June 2017**

### **1. General information**

Tropic Skin Care Limited is a company incorporated in the United Kingdom under the Companies Act 2006.

The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Amshold House, Goldings Hill, Loughton, Essex, IG10 2RW.

### **2. Statement of compliance**

These financial statements have been prepared in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. In the prior year the company was exempt from audit under section 477 of the Companies act 2006.

### **3. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### **a. Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **b. Disclosure exemptions**

The company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Certain disclosures in respect of the financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration for key management personnel.

The company also satisfies the criteria of being classified as a small company as defined in paragraph 1A of FRS 102. As such, the company chooses to apply the small entities regime, and has disclosed the minimum requirements per FRS 102, paragraph 1A:

- (a) Statement of financial position
- (b) Statement of income and retained earnings; and
- (c) Notes to the financial statements as required by law.

Additionally, the company satisfies the requirements of paragraph 6.4 of FRS 102, and has disclosed a single Statement of income and retained earnings in place of the Statement of changes in equity, as it meets the requirements set out in paragraph 6.4 of FRS 102 being:

- (a) The only changes in equity in the periods presented arise from reported profit or loss, payment of dividends, corrections of prior period material errors and changes in accounting policies.

#### **c. Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **d. Judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated

# Tropic Skin Care Limited

## Notes to the financial statements For the year ended 30 June 2017

assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The most significant judgements and estimations taken by directors are the provisions for slow moving or obsolete stock. This requires an assessment to be made on the recoverable value of old stock and potential stock losses for raw materials in the production process.

### *e. Fixed assets*

Tangible and intangible assets are initially recorded at cost or valuation, and subsequently reduced by depreciation and any provision for impairment. Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

#### *Tangible*

Fixtures and Fittings	50% Straight line
Plant and Machinery	25% & 50% Straight line
Computer and Office Equipment	50% Straight line
Improvements to Property	25% Straight line

#### *Intangible*

Computer Software	25% Straight line
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### *f. Income tax*

The taxation expense represents the aggregated amount of current and deferred tax recognised in the reporting period.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Tax is recognised in profit and loss, except to the extent where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

# Tropic Skin Care Limited

## Notes to the financial statements For the year ended 30 June 2017

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **g. Revenue recognition**

Revenue is recognised at fair value of the consideration received or receivable for sale of goods in the ordinary course of business. The fair value of the goods takes into account trade discounts, settlement discounts and is shown net of VAT. Revenue is recognised when the significant risks and rewards are physically delivered to the customer.

### **h. Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

### **i. Leases**

#### *The company as lessee*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

### **j. Finance costs**

As interest arises, it accrues in the profit or loss account.

### **k. Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

### **l. Inventory**

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the latest purchase price method. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

## **Tropic Skin Care Limited**

### **Notes to the financial statements For the year ended 30 June 2017**

Net realisable value is the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Selling costs, abnormal losses, storage costs and administration overheads not contributing to inventories are expensed as incurred.

## Tropic Skin Care Limited

### Notes to the financial statements For the year ended 30 June 2017

#### 4. Finance income

	<b>30 June 2017</b>	<b>(Unaudited) 30 June 2016</b>
	£	£
Bank interest receivable	<u>6,494</u>	<u>8,160</u>

#### 5. Revenue

	<b>30 June 2017</b>	<b>(Unaudited) 30 June 2016</b>
	£	£
Revenue arises from		
Sale of goods	<u>12,673,722</u>	<u>7,541,351</u>

The whole of the revenue attributable to the principle activity of the company is wholly undertaken in the United Kingdom.

#### 6. Profit before taxation

	<b>30 June 2017</b>	<b>(Unaudited) 30 June 2016</b>
	£	£
<b>Profit before taxation is stated after charging:</b>		
Depreciation on tangible assets	216,913	140,415
Depreciation on intangible assets	27,927	8,749
Profit on disposal of fixed assets	1,708	-
Foreign exchange differences	<u>1,687</u>	<u>-</u>

#### 7. Auditor's remuneration

	<b>30 June 2017</b>	<b>(Unaudited) 30 June 2016</b>
	£	£
Fees payable for the audit of the financial statements	<u>37,000</u>	<u>-</u>



# Tropic Skin Care Limited

## Notes to the financial statements For the year ended 30 June 2017

### 8. Staff costs

The average monthly number of persons employed by the company during the period, including the directors, amounted to:

	30 June 2017	(Unaudited) 30 June 2016
Production staff	35	24
Distribution staff	10	5
Administrative staff	22	15
	<u>67</u>	<u>44</u>

The aggregate payroll costs incurred during the period, relating to the above including directors, were:

	30 June 2017 £	(Unaudited) 30 June 2016 £
Wages and salaries	1,373,043	981,377
Employer's NIC	112,153	78,044
Other staff costs	33,101	15,278
	<u>1,518,297</u>	<u>1,074,699</u>

### 9. Director's remuneration

The director's aggregate remuneration (included in note 8 above) in respect of qualifying services was:

	30 June 2017 £	(Unaudited) 30 June 2016 £
Remuneration	67,500	55,000
Company pension contributions	-	-
	<u>67,500</u>	<u>55,000</u>

Director's remuneration for the current and prior periods relates to only one director.

### 10. Dividends on equity shares

	30 June 2017 £	(Unaudited) 30 June 2016 £
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year	<u>2,900,000</u>	<u>800,000</u>

# Tropic Skin Care Limited

## Notes to the financial statements For the year ended 30 June 2017

### 11. Tax on profit

#### Major components of tax (income)/expense

	30 June 2017 £	(Unaudited) 30 June 2016 £
<b>Current tax:</b>		
UK current tax expense	(603,995)	(278,337)
Prior year adjustment	9,424	12,828
<b>Total current tax charge</b>	<b>(594,571)</b>	<b>(265,509)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	9,894	(22,778)
Effects of changes in tax rates on opening balances	380	2,260
Adjustment in respect to prior years	(11,310)	-
<b>Total deferred tax charge</b>	<b>(1,036)</b>	<b>(20,518)</b>
<b>Total tax charge on profit</b>	<b>(595,607)</b>	<b>(286,027)</b>

#### Reconciliation of tax (income)/expense

The tax assessed on the profit for the period is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.75% (2016: 20.0%).

	30 June 2017 £	(Unaudited) 30 June 2016 £
Profit on ordinary activities before taxation	3,045,685	1,500,439
Tax on profit at standard UK tax rate of 19.75% (2016: 20.0%)	(601,544)	(300,088)
Effect of expenses not deductible for tax purposes	(79,225)	(1,027)
Effect of income not taxable for tax purpose	86,668	-
Effect of changes in tax rates	380	2,260
Prior year adjustments	(1,886)	12,828
<b>Total tax charge on profit</b>	<b>(595,607)</b>	<b>(286,027)</b>

#### Factors that may affect future tax income

The Finance Act 2016 provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 17% from 1 April 2020. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date as appropriate. The closing deferred tax liability as at 30 June 2017 has been calculated at 17% reflecting the tax rate at which the deferred tax liability is expected to become payable.

## Tropic Skin Care Limited

### Notes to the financial statements For the year ended 30 June 2017

#### 12. Tangible assets

	Fixtures and fittings £	Plant and machinery £	Computer and office equipment £	Improvements to property £	Total £
<b>Cost</b>					
At 1 July 2016	31,622	358,945	43,554	192,155	626,276
Additions	1,277	146,617	8,399	3,650	159,943
Disposals	-	(18,000)	-	-	(18,000)
<b>At 30 June 2017</b>	<b>32,899</b>	<b>487,562</b>	<b>51,953</b>	<b>195,805</b>	<b>768,219</b>
<b>Depreciation</b>					
At 1 July 2016	20,850	102,505	24,759	77,720	225,834
Charge for the year	6,635	140,610	13,693	55,975	216,913
Disposals	-	(6,625)	-	-	(6,625)
<b>At 30 June 2017</b>	<b>27,485</b>	<b>236,490</b>	<b>38,452</b>	<b>133,695</b>	<b>436,122</b>
<b>Net book value</b>					
At 30 June 2017	5,414	251,072	13,501	62,110	332,097
At 30 June 2016 (Unaudited)	10,772	256,440	18,795	114,435	400,442

#### 13. Intangible assets

	Computer software £	Total £
<b>Cost</b>		
At 1 July 2016	98,641	98,641
Additions	125,908	125,908
<b>At 30 June 2017</b>	<b>224,549</b>	<b>224,549</b>
<b>Depreciation</b>		
At 1 July 2016	51,090	51,090
Charge for the year	27,927	27,927
<b>At 30 June 2017</b>	<b>79,017</b>	<b>79,017</b>
<b>Net book value</b>		
At 30 June 2017	145,532	145,532
At 30 June 2016 (Unaudited)	47,551	47,551

# Tropic Skin Care Limited

## Notes to the financial statements For the year ended 30 June 2017

### 14. Stocks

	30 June 2017 £	(Unaudited) 30 June 2016 £
Finished goods	181,289	58,450
Raw materials	754,762	729,204
	<u>936,051</u>	<u>787,654</u>

### 15. Debtors: amounts falling due within one year

	30 June 2017 £	(Unaudited) 30 June 2016 £
Trade debtors	377,190	138,952
Other debtors	492,009	162,553
	<u>869,199</u>	<u>301,505</u>

### 16. Creditors: amounts falling due within one year

	30 June 2017 £	(Unaudited) 30 June 2016 £
Trade creditors	(576,668)	(503,882)
Other creditors	(2,119,213)	(1,001,459)
	<u>(2,695,881)</u>	<u>(1,505,341)</u>

### 17. Called-up share capital

	2017 £	(Unaudited) 30 June 2016 £
<b>Allotted, issued and fully paid:</b> 200 ordinary shares of £1 each (2016: 200 ordinary shares of £1 each)	<u>200</u>	<u>200</u>

### 18. Reserves

The retained earnings reserve represents historical accumulated profits less transfers and distributions to owners.

## Tropic Skin Care Limited

### Notes to the financial statements For the year ended 30 June 2017

#### 19. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>30 June 2017</b>	<b>(Unaudited) 30 June 2016</b>
	<b>£</b>	<b>£</b>
<b>Leases expiring:</b>		
- within one year	140,000	132,500
- between one and five years	250,833	378,333
	<u>390,833</u>	<u>510,833</u>

#### 20. Related party transactions

During the year Amshold Group Limited, a company controlled by Lord Sugar, charged the company £34,121 (2016: £48,005) for management consultancy services.

During the year Climb Online Limited, a company in which Lord Sugar ultimately holds a 50% shareholding, charged the company £31,154 (2016: £10,332) for online marketing services.

There is no outstanding balance at the year-end for related party transactions.