

**ICANDY WORLD LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**ICANDY WORLD LIMITED**

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## ICANDY WORLD LIMITED

### Company Information

<b>Directors</b>	B M Appel W A Appel D S Appel M B Boyle N Appel
<b>Registered office</b>	Montgomery Way Biggleswade SG18 8UB
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## ICANDY WORLD LIMITED

### Strategic Report for the Year Ended 30 September 2022

The directors present their strategic report for the year ended 30 September 2022.

#### Principal activity

The principal activity of the company is that of the design, import and wholesale of pushchairs, car safety seats and similar children's products

#### Fair review of the business

The company sells a range of pushchairs and other baby products through a variety of outlets including major UK retailers, independent retailers of children's products, overseas distributors and on the internet.

The company continued with its ambitious investment into the brands, products and brand awareness. New products have come to market with success and there are more expected into the future.

More recently, the focus has been on being more efficient with expenditure and this has proved very successful in both improved profits and reduced overheads.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Turnover	£'000	13,803	12,195
Gross margin	%	48	52
Gross assets	£'000	13,302	12,469
Net assets	£'000	8,288	8,322

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development, performance and the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators beyond those set out above to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

#### Principal risks and uncertainties

Credit risk - The company offers credit to certain of its customers. Before credit terms are agreed, an assessment of the customer's credit rating is undertaken. Credit limits are set accordingly.

Price risk - The company is subject to price risk and foreign exchange rate risk as a high proportion of its purchases are made in US Dollars and Chinese Yuan Renminbi. However, the company reduces this risk by entering into forward contracts.

Liquidity risk - The company minimises liquidity risk through careful management of payables, cash and receivables.

Cash flow risk - Cash flows are carefully managed and the company continues to trade within facilities. Operating cash flows remained strong and are expected to continue in this manner.

Approved by the Board on 26 June 2023 and signed on its behalf by:

B M Appel  
Director

## **ICANDY WORLD LIMITED**

### **Directors' Report for the Year Ended 30 September 2022**

The directors present their report and the financial statements for the year ended 30 September 2022.

#### **Directors of the company**

The directors who held office during the year were as follows:

B M Appel

W A Appel

D S Appel

M B Boyle

N Appel

#### **Dividends**

The total distribution of dividends for the year ended 30 September 2022 was £1,473,500 (2021 - £1,473,499).

#### **Financial instruments**

The company uses financial instruments as part of its financial risk management. Although not considered a significant risk, the nature of its financial instruments means that they are subject to normal trading risk and liquidity risk.

#### **Future developments**

The demand for the company's products and its trading results remain positive following the year end. The company continues to invest in design and innovation to ensure all its products remain desirable and maintain a high level of quality.

#### **Going concern**

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' the directors of all companies are required to provide disclosures regarding the going concern basis of accounting.

The company has financial resources available and continues to generate cash from operating activities. The directors have prepared forecasts for the next 12 months that indicate that this trend will continue. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 26 June 2023 and signed on its behalf by:

B M Appel  
Director

## **ICANDY WORLD LIMITED**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; 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.

# ICANDY WORLD LIMITED

## Independent Auditor's Report to the Members of iCandy World Limited

### Opinion

We have audited the financial statements of iCandy World Limited (the 'company') for the year ended 30 September 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, 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 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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

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 original financial statements were 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.

### Other information

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

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

We have nothing to report in this regard.

### Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

## **ICANDY WORLD LIMITED**

### **Independent Auditor's Report to the Members of iCandy World Limited**

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

In the light of our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page 4, 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.

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:

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company's financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included United Kingdom Generally Accepted Accounting Practice, UK Companies Act 2006 and taxation laws;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of the management and those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - identifying and testing journal entries, in particular any journal entries with unusual characteristics.

A further description of our responsibilities is available 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.

## **ICANDY WORLD LIMITED**

### **Independent Auditor's Report to the Members of iCandy World Limited**

#### **Use of this 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.

Ryan Hancock (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

26 June 2023

# ICANDY WORLD LIMITED

## Profit and Loss Account for the Year Ended 30 September 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	13,802,606	12,194,866
Cost of sales		<u>(7,145,629)</u>	<u>(5,879,296)</u>
Gross profit		6,656,977	6,315,570
Administrative expenses		(4,741,158)	(4,465,258)
Fair value (loss) gain on financial instruments		(34,590)	(18,346)
Other operating income	<u>4</u>	<u>-</u>	<u>(239,189)</u>
Operating profit	<u>5</u>	1,881,229	1,592,777
Other interest receivable and similar income		524	538
Interest payable and similar charges		<u>(73,911)</u>	<u>(38,398)</u>
Profit before tax		1,807,842	1,554,917
Taxation	<u>9</u>	<u>(368,008)</u>	<u>(75,040)</u>
Profit for the financial year		<u>1,439,834</u>	<u>1,479,877</u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

# ICANDY WORLD LIMITED

(Registration number: 00282792)

Balance Sheet as at 30 September 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	<u>10</u>	310,593	-
Tangible assets	<u>11</u>	2,338,803	2,312,804
Investments	<u>12</u>	120,517	120,517
		<u>2,769,913</u>	<u>2,433,321</u>
<b>Current assets</b>			
Stocks	<u>13</u>	6,355,510	2,845,690
Debtors	<u>14</u>	2,198,418	1,503,404
Cash at bank and in hand		<u>1,978,223</u>	<u>5,686,506</u>
		10,532,151	10,035,600
Creditors: Amounts falling due within one year	<u>15</u>	<u>(4,994,975)</u>	<u>(4,147,125)</u>
Net current assets		<u>5,537,176</u>	<u>5,888,475</u>
Total assets less current liabilities		8,307,089	8,321,796
Provisions for liabilities	<u>9</u>	<u>(18,959)</u>	-
Net assets		<u>8,288,130</u>	<u>8,321,796</u>
<b>Capital and reserves</b>			
Called up share capital	<u>18</u>	2,105	2,105
Capital redemption reserve		895	895
Profit and loss account		<u>8,285,130</u>	<u>8,318,796</u>
Total equity		<u>8,288,130</u>	<u>8,321,796</u>

Approved and authorised by the Board on 26 June 2023 and signed on its behalf by:

B M Appel  
Director

The notes on pages 12 to 22 form an integral part of these financial statements.

# ICANDY WORLD LIMITED

## Statement of Changes in Equity for the Year Ended 30 September 2022

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2021	2,105	895	8,318,796	8,321,796
Profit for the year	-	-	1,439,834	1,439,834
Dividends	-	-	(1,473,500)	(1,473,500)
At 30 September 2022	2,105	895	8,285,130	8,288,130

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2020	2,105	895	8,312,418	8,315,418
Profit for the year	-	-	1,479,877	1,479,877
Dividends	-	-	(1,473,499)	(1,473,499)
At 30 September 2021	2,105	895	8,318,796	8,321,796

The notes on pages 12 to 22 form an integral part of these financial statements.

# ICANDY WORLD LIMITED

## Statement of Cash Flows for the Year Ended 30 September 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,439,834	1,479,877
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	380,955	532,836
Finance income		(524)	(538)
Finance costs		73,911	38,398
Income tax expense	<u>9</u>	368,008	75,040
		2,262,184	2,125,613
Working capital adjustments			
(Increase)/decrease in stocks	<u>13</u>	(3,509,820)	112,999
(Increase)/decrease in trade debtors	<u>14</u>	(818,309)	910,583
Decrease in trade creditors	<u>15</u>	(92,350)	(540,741)
Cash generated from operations		(2,158,295)	2,608,454
Income taxes paid	<u>9</u>	(112,913)	(569,702)
Net cash flow from operating activities		(2,271,208)	2,038,752
<b>Cash flows from investing activities</b>			
Interest received		524	538
Acquisitions of tangible assets		(363,105)	(688,513)
Acquisition of intangible assets	<u>10</u>	(354,442)	-
Net cash flows from investing activities		(717,023)	(687,975)
<b>Cash flows from financing activities</b>			
Interest paid		(73,911)	(38,398)
Repayment (advances) of other borrowings		827,359	(197,676)
Dividends paid	<u>20</u>	(1,473,500)	(1,473,499)
Net cash flows from financing activities		(720,052)	(1,709,573)
Net decrease in cash and cash equivalents		(3,708,283)	(358,796)
Cash and cash equivalents at 1 October		5,686,506	6,045,302
Cash and cash equivalents at 30 September		<u>1,978,223</u>	<u>5,686,506</u>

The notes on pages 12 to 22 form an integral part of these financial statements.

# ICANDY WORLD LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:  
Montgomery Way  
Biggleswade  
SG18 8UB

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

#### Group accounts not prepared

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium sized group. Although the Companies Act 2006 requires medium sized groups to prepare consolidated accounts, the company has not prepared them on the basis that the results and the net assets of the subsidiary are not material to the group.

#### Going concern

After considering the recent company performance and reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable.

#### Critical accounting 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 that are not readily apparent from other sources. The estimates and associated 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.**

#### Judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal actual results. There are not considered to be any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The warranty provision of £70,000 (2021: £70,000) recognised in these financial statements is considered to be a significant judgement that has been made by management in preparing these financial statements.

## ICANDY WORLD LIMITED

### Notes to the Financial Statements for the Year Ended 30 September 2022

#### **Key sources of estimation uncertainty**

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. The company recognises revenue when: The amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

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

The current corporation 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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	2% of cost per annum
Plant and machinery	25% of cost per annum
Fixtures and fittings	25% - 50% of cost per annum
Motor vehicles	25% of cost per annum

## ICANDY WORLD LIMITED

### Notes to the Financial Statements for the Year Ended 30 September 2022

#### Intangible assets

Intangible assets are initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development	over 4 years

#### Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method.

At each reporting date, stocks are assessed for impairment. If stocks are 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.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

## ICANDY WORLD LIMITED

### Notes to the Financial Statements for the Year Ended 30 September 2022

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared by the shareholders in general meetings.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### Financial instruments

##### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### **Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## ICANDY WORLD LIMITED

### Notes to the Financial Statements for the Year Ended 30 September 2022

#### 3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of goods	13,802,606	12,194,866

The analysis of the company's turnover for the year by market is as follows:

	2022 £	2021 £
UK	10,858,782	9,951,892
Europe	1,327,005	1,088,054
Rest of world	1,616,819	1,154,920
	13,802,606	12,194,866

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022 £	2021 £
Government grants	-	(239,189)

#### Coronavirus Job Retention Scheme grant

The Coronavirus Job Retention Scheme grant is a government grant relating to a wage subsidy programme introduced in the United Kingdom in response to the COVID-19 coronavirus pandemic. The Company was entitled to the wage subsidy because it had reduced operations in the United Kingdom as a result of the pandemic. The accounting policy adopted is set out in Note 2 to the financial statements, the grant was originally recognised in the profit and loss in 'other income' in the accounting period the related wages and salaries for furloughed employees were recognised.

In the prior year, the Directors decided to repay all of the grant received.

#### 5 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	337,106	532,836
Amortisation expense	43,849	-
Foreign exchange losses/(gains)	51,716	(49,397)
Operating lease expense - other	50,261	38,879

#### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	1,822,545	1,760,212
Social security costs	186,299	183,793
Pension costs, defined contribution scheme	39,797	35,156
	2,048,641	1,979,161

## ICANDY WORLD LIMITED

### Notes to the Financial Statements for the Year Ended 30 September 2022

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Sales and administration	36	36
Warehouse and distribution	11	11
	<u>47</u>	<u>47</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	464,430	472,106
Contributions paid to money purchase schemes	6,264	6,265
	<u>470,694</u>	<u>478,371</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid director:

	2022 £	2021 £
Remuneration	309,978	286,684
Company contributions to money purchase pension schemes	<u>5,614</u>	<u>5,612</u>

#### 8 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>22,680</u>	<u>21,000</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>30,637</u>	<u>6,970</u>

#### 9 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
<b>Current taxation</b>		
UK corporation tax	288,897	180,991
UK corporation tax adjustment to prior periods	<u>12,767</u>	<u>(177,916)</u>
	301,664	3,075

**Deferred taxation**

Arising from origination and reversal of timing differences

66,34471,965

- 17 -

Tax expense in the income statement

368,00875,040

# ICANDY WORLD LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 2022

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	1,807,842	1,554,917
Corporation tax at standard rate	343,490	295,434
Effect of expense not deductible in determining taxable profit (tax loss)	570	542
UK deferred tax expense/(credit) relating to changes in tax rates or laws	11,181	(11,372)
Decrease from effect of tax incentives	-	(39,245)
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	12,767	(177,916)
Tax increase from effect of capital allowances and depreciation	-	7,597
Total tax charge	368,008	75,040

Included in UK corporation tax adjustment to prior periods is £178,038 that relates to the tax impact of R&D tax credit claim in relation to the financial year ended 30 September 2019.

### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2022</b>	
Accelerated capital allowances	(33,292)
Capital gains rolled over	52,942
Other timing difference	(691)
	18,959
	Asset £
<b>2021</b>	
Accelerated capital allowances	99,599
Capital gains rolled over	(52,942)
Other timing difference	728
	47,385

### 10 Intangible assets

	Development costs £
<b>Cost or valuation</b>	
Additions	354,442
At 30 September 2022	354,442
<b>Amortisation</b>	
Amortisation charge	43,849
At 30 September 2022	43,849
<b>Carrying amount</b>	



# ICANDY WORLD LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 11 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Total £
<b>Cost</b>				
At 1 October 2021	1,999,294	2,397,697	3,727,809	8,124,800
Additions	-	209,980	153,125	363,105
At 30 September 2022	1,999,294	2,607,677	3,880,934	8,487,905
<b>Depreciation</b>				
At 1 October 2021	459,019	2,234,081	3,118,896	5,811,996
Charge for the year	39,985	69,143	227,978	337,106
At 30 September 2022	499,004	2,303,224	3,346,874	6,149,102
<b>Carrying amount</b>				
At 30 September 2022	1,500,290	304,453	534,060	2,338,803
At 30 September 2021	1,540,275	163,616	608,913	2,312,804

### 12 Investments

	2022 £	2021 £
Investments in subsidiaries	120,517	120,517

### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Dongguan iCandy Children's Products Co., Limited	China	Ordinary	100%	100%

The accounting period end for Dongguan iCandy Children's Products Co. Ltd, is 31 December each year. The profit for the financial year ended 31 December 2022 was £27,687 (2021 - £24,264) and the aggregate amount of capital and reserves at the end of the period was £237,454 (2021 - £230,175)

### 13 Stocks

	2022 £	2021 £
Finished goods and goods for resale	6,355,510	2,845,690

# ICANDY WORLD LIMITED

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 14 Debtors

	Note	2022 £	2021 £
Trade debtors		2,023,386	1,159,090
Prepayments		175,032	186,429
Derivative financial instrument asset		-	34,590
Deferred tax asset	9	-	47,385
Corporation tax asset	9	-	75,910
		<u>2,198,418</u>	<u>1,503,404</u>
Total current trade and other debtors			

### 15 Creditors

	Note	2022 £	2021 £
<b>Due within one year</b>			
Loans and borrowings	16	2,407,147	1,579,788
Trade creditors		1,838,745	1,906,216
Social security and other taxes		80,151	222,104
Outstanding defined contribution pension costs		6,673	6,092
Other creditors		107,634	102,497
Accrued expenses		441,784	330,428
Corporation tax liability	9	112,841	-
		<u>4,994,975</u>	<u>4,147,125</u>

### 16 Loans and borrowings

	2022 £	2021 £
<b>Current loans and borrowings</b>		
Other borrowings	<u>2,407,147</u>	<u>1,579,788</u>

#### Other borrowings

These comprise of directors' loans and are denominated in £ Sterling with a nominal interest rate of 5%. The carrying amount at year end is £2,407,147 (2021 - £1,579,788).

There are no formal requirements in place to repay these loans.

### 17 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £39,797 (2021 - £35,156).

Contributions totalling £6,673 (2021 - £6,092) were payable to the scheme at the end of the year and are included in creditors.

## ICANDY WORLD LIMITED

### Notes to the Financial Statements for the Year Ended 30 September 2022

#### 18 Share capital

##### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary 'A' shares of £1 each	701	701	701	701
Ordinary 'B' shares of £1 each	1,034	1,034	1,034	1,034
Ordinary 'C' shares of £1 each	70	70	70	70
Ordinary 'D' shares of £1 each	300	300	300	300
	<u>2,105</u>	<u>2,105</u>	<u>2,105</u>	<u>2,105</u>

All shares in issue rank pari passu in all respects except that each class has separate dividend rights.

#### 19 Obligations under operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	19,330	40,665
Later than one year and not later than five years	<u>5,968</u>	<u>25,298</u>
	<u>25,298</u>	<u>65,963</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £50,261 (2021 - £38,879).

#### 20 Dividends

	2022 £	2021 £
Dividends paid	<u>1,473,500</u>	<u>1,473,499</u>

#### 21 Related party transactions

At 30 September 2022 the company owed the company directors £2,480,647 (2021: £1,579,788). Interest of £73,911 (2021: £38,398) has been accrued on the loans. During the current financial year the company credited dividends of £1,400,000 (2021: £1,400,000) to the directors' loan accounts.

During the year the company was charged £Nil (2021: £586,338) for services provided by Dongguan iCandy Children's Products Co. Ltd.

##### Key management remuneration (including directors)

	2022 £	2021 £
Salaries and other short term employee benefits	550,440	540,316
Post-employment benefits	7,582	7,582
Social security costs	<u>46,899</u>	<u>47,796</u>
	<u>604,921</u>	<u>595,694</u>

## ICANDY WORLD LIMITED

### Notes to the Financial Statements for the Year Ended 30 September 2022

#### 22 Financial instruments

##### Financial assets measured at fair value

###### *Forward foreign currency contracts*

The company's forward foreign currency contracts have been valued on a match to market basis at the year end. The fair value is £Nil (2021 - £34,590) and the change in value included in profit or loss is £Nil (2021 - £(18,346)).

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.