



British Toy & Hobby Association **REPORT & ACCOUNTS 2022**

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01 CHAIRMAN'S STATEMENT

When I joined the BTHA Council in 2009 I never imagined that I would be Chair so I was very proud and honoured to take on the role in March 2021. My tenure as BTHA Chairman has been conducted differently to those that came before me due to taking on the role during the coronavirus pandemic, which has meant the majority of Council meetings and events have been held virtually for the first time in the BTHA's existence. I would like to say thanks to the BTHA staff and members of the Council for supporting me during this period as we navigated new ways of working together to best support the whole of the BTHA membership.

In my final year as Chairman, the challenges have remained considerable for the UK toy industry to navigate – record levels of inflation, depreciation of sterling, a cost-of-living crisis, and the ongoing impacts of the war in Ukraine felt globally. With the coronavirus pandemic hopefully largely behind us we did see an improvement in global supply chains in 2022 with a reduction in container rates that provided some relief to the UK toy industry. Suppliers and retailers have adapted supply chains considerably in the last few years which has continued to put them in good stead to continue delivering toys and games to children all year round.

The 2022 data from NPD Group in relation to toys showed that the overall UK toy market declined by three per cent to £3.6 billion, remaining flat against 2019 pre-pandemic levels, which was not unexpected against a difficult backdrop. There were several strong performing toy categories, and the data showed that toy sales to 'kidults' (12+ age group) are now an important part of the toy market with a consistent share of 28% of the UK toy market. This reflects the wide appeal that toys and games continue to have, with suppliers developing new products for all ages.

The BTHA staff and its committees work determinedly to protect and promote the interests of its members and I have been in a fortunate position to see first-hand the breadth of work of the Association. I would like to highlight a few things here, but members can read in further detail the work that the BTHA has undertaken on their behalf in the Report of the Council from page 3 to 7.

The sale of dangerous and non-compliant toys is a continued threat to the industry, undermining the business of reputable toy companies and putting children at risk of harm. On behalf of members, throughout 2022 the BTHA continued to call on the UK government to take legislative action to make online marketplaces more accountable for the safety of toys sold by third party sellers. The BTHA has done a fantastic job of raising the profile of this issue with government, the media, and consumers which resulted in increased government funding for enforcement and public recognition of this issue, as well as several other industry and consumer groups joining the campaign. Due to government leadership and ministerial changes, which has delayed government action and the publication of the Product Safety Review, the BTHA updated its evidence as part of its 'Still Toying with Children's Safety' campaign towards the end of 2022. Work will continue to advocate for regulatory change to protect the BTHA's membership against non-reputable toy companies throughout 2023.

Since leaving the EU, the UK government has increasingly started to take its own policy and legislative action. This has occurred across many areas impacting the toy industry but has been most notably seen in the areas of toy safety and sustainability, which the BTHA has continued to actively monitor and respond to on behalf of members to ensure any changes are proportionate and evidence based. The BTHA's toy safety team produced further member guidance to reflect changes happening in both the UK and EU so that members are informed on requirements for both markets. To help members keep on top of the number of changes, the BTHA has created new tracker documents, and where full guidance is not appropriate, new fact sheets have been created to provide members with digestible information.

With toy safety in mind, I would like to give a special mention to the BTHA's Jerry Burnie, Chair of both the Technical and Sustainability Committees, and head of the toy safety advisory service. Jerry was awarded an OBE in the 2022 New Year Honours list for his service to businesses and consumers in relation to toy safety which reflects the outstanding work that Jerry does on behalf of the BTHA and its members.

As was covered in my Chairman's statement last year, we were delighted that Toy Fair 2022 could go ahead with additional government measures still in place after a cancelled show in 2021. Toy Fair 2023, held in January, was the first one back under more normal conditions. The show was again sold out, with an increasing waiting list of prospective exhibitors, reflecting the importance given to the UK Toy Fair in the global buying calendar. I would like to congratulate the Toy Fair team and Chair for continuing to navigate the challenging Olympia London renovation project to ensure it has minimal impact on Toy Fair exhibitors and visitors.

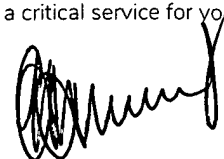
As I step down from BTHA Chairman, I will also step down in due course as Chair of the Toy Trust Committee which I have been delighted to chair over several years. 2022 was the 30th anniversary of the Toy Trust, and with new fundraising initiatives during the year, the toy industry was able to donate a total of £207,850 to 51 children's charities across the UK. All beneficiaries can be found on page 7.

The BTHA's annual audited accounts are here for your reference for 2022 and show that the Association's finances remain in good order, despite the challenges of the economic situation and the vagaries of the markets for our investments – in common with others – during 2022.

As I come to the end of my Chairmanship, I would like to take the opportunity to give my sincere thanks to the members of Council and BTHA staff who have provided guidance throughout my tenure, as well as the individual committees of the BTHA – the Technical, Sustainability, Public Relations and Public Affairs, Toy Fair, Toy Trust, and Finance for guiding the work of the Association. I have been well supported by Vice-Chair Simon Pilkington of John Adams, and I am pleased that I will be handing over the Chair to Simon after the BTHA AGM in June 2023.

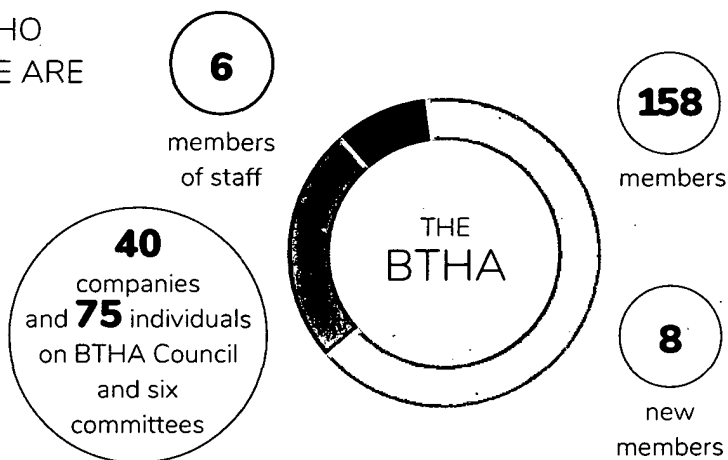
Finally, on behalf of the BTHA, I would like to thank you our members. The BTHA stands ready to represent you and will continue to provide a critical service for you in the years ahead.

Graham Canning
BTHA Chair

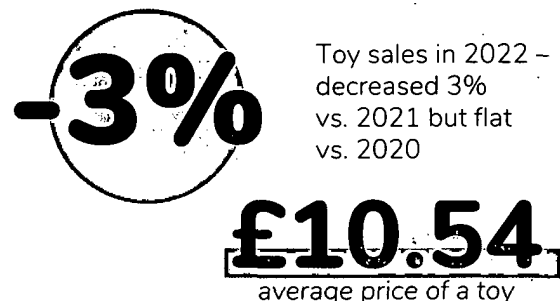


2022 IN NUMBERS

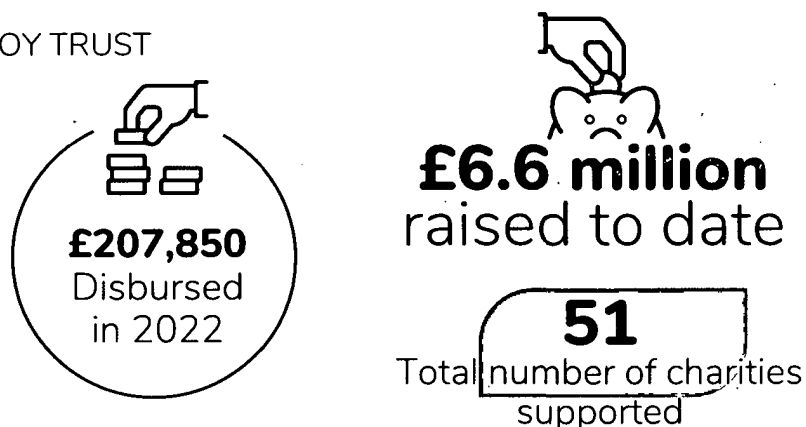
WHO WE ARE



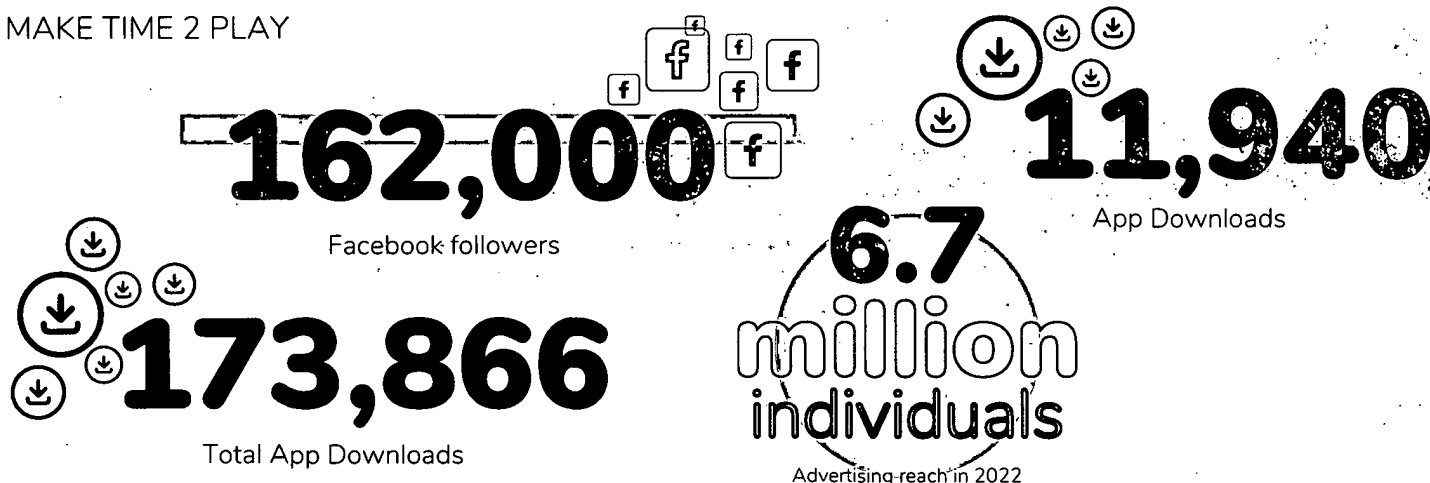
MARKET FIGURES



TOY TRUST



MAKE TIME 2 PLAY

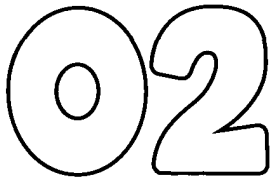


AWARDS



TRAINING





REPORT OF THE COUNCIL

To be presented at the 79th Annual General Meeting

MISSION STATEMENT:

"To promote best practice and excellence in all aspects of product design, toy safety, ethical manufacturing, environmental issues and responsible marketing and by doing so protect and promote the interests of our members."

PRINCIPAL ACTIVITIES

The principal activities of the Association are to represent the responsible toy industry to the UK government, public bodies, the media and opinion formers, and to promote the industry, its products, and the value of play, particularly by means of an annual toy fair and the Make Time 2 Play campaign.

ACCOUNTS

The annual accounts for the calendar year 2022 show a loss of £597,919 compared with a profit of £587,983 in the previous year. This was largely the result of unrealised losses in the investment portfolio and the HQ property.

CHARITABLE CONTRIBUTIONS

During the year the Association made charitable donations of £26,025 to the Toy Trust (2021: Nil).

DIRECTORS

The directors are listed on page 8. During the year Neil Bandtock resigned from Council. Nicola Bergot was appointed to Council.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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. 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;
- 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.

STATEMENT OF DISCLOSURE TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

In accordance with the company's articles, a resolution proposing that HW Fisher LLP be reappointed as auditors of the company will be put at the Annual General Meeting.

MAIN ACTIVITIES OF THE BTHA IN 2022

The BTHA proactively promotes and protects members' interests in all areas of the toy business. In 2022, the BTHA delivered a broad range of services for its members outlined in this report. With the UK government now acting independently, we have seen increasing amounts of regulation in both the UK and EU for our members to keep abreast of, which has made it more challenging for toy businesses to operate. The BTHA is proud to represent responsible toy companies and strives to alleviate these pressures for members through its continued advice, guidance, and lobbying.

ADVOCACY AND PUBLIC AFFAIRS

The BTHA represented members interests to government, regulatory authorities, and the media across a range of areas that impact toy businesses in 2022 including toy safety, connected toys, sustainability, intellectual property design and parallel imports, proposals for an online sales tax, amongst other issues. This included formal representations to government consultations, participating in government industry working groups, and meeting with government officials.

The two biggest priorities under the public affairs workstream in 2022 were determined by their high impact on the majority of BTHA members. First, maintaining the high profile of unsafe and non-compliant products being sold via online marketplaces, calling on the UK

government to take increased regulatory action; and second representing members in the development of the new packaging waste extended producer responsibility requirements that is being transitioned into law across 2023 and 2024.

2022 was the fourth consecutive year of the BTHA lobbying the government on the number of unsafe and non-compliant toys that are being sold via online marketplaces, putting children at serious risk of harm, and damaging reputable UK toy businesses. At the start of the year, the BTHA met with the responsible Minister Paul Scully and his team of officials to discuss the BTHA's report findings and to work through potential solutions that would be put out for consultation in the government's Product Safety Review. The Product Safety Review consultation was delayed several times during the year, so the BTHA joined up with Electrical Safety First to combine efforts in building support in Parliament which resulted in 70 Parliamentarians from across both the House of Commons and House of Lords signing an open letter to the Minister. The letter called for the urgent publication of the consultation, and further government action to address the safety of products being sold via online marketplaces. This was covered in the Daily Mail, with subsequent pieces on this issue across the rest of the year.

Due to the increased profile and recognition of the BTHA's investigations, the Office for Product Safety and Standards (OPSS) were granted additional funding to increase their online enforcement action in 2022. The focus was on toys, electrical appliances, and cosmetics, and throughout the year OPSS shared its results with the BTHA. The BTHA was also able to refer known sellers and products to OPSS on behalf of members.

The BTHA conducted an update to its online marketplace report in the second half of 2022 because of further delays to the publication of the Product Safety Review following changes to the Conservative leadership, which resulted in new Prime Ministers and Ministers. The BTHA investigation was completed in two phases: first an assessment of the 101 toys that were notified to the UK product safety gate from the BTHA's 2021 report to see how many 'seemingly identical' toys were still on sale, and second the safety testing of an additional 40 toys. Analysis showed that 65% of the notified toys had seemingly identical listings, and of the eight samples that were purchased for testing, all eight failed. Of the 40 new

toys purchased and tested, 100% were non-compliant, and 90% failed independent toy safety testing against UK Toys (Safety) Regulations.

The results were shared with OPSS for further analysis and enforcement action, and the report was used to engage the new Minister Kevin Hollinrake appointed by new Prime Minister Rishi Sunak towards the end of 2022 as the Product Safety Review had still not been published. The BTHA utilised its Parliamentary advocates to raise the issue with the new Minister through parliamentary questions, as well as briefing the shadow business minister on the findings to raise at a legislative debate with the Minister. The BTHA is continuing to advocate for a change in the law to ensure online marketplaces are responsible for the safety of products sold by their third-party sellers.

For the second priority area, throughout 2022 the BTHA raised with government the impact of the new UK extended producer responsibility regulations for packaging waste on UK toy companies. The Department for Environment, Food, and Rural Affairs (Defra) published their consultation response in March 2022 setting out the phased introduction of the UK packaging extended producer responsibility requirements that will come into full force in 2024, with transitional requirements implemented from 2023. The BTHA worked collectively with other industries to put pressure on the government and officials to publish timely guidance and information to help businesses best prepare for compliance. This included the co-signing a letter to the Minister expressing a need for further and increased engagement on the proposals and guidance for industry. This joint lobbying work resulted in the first set of guidance being published for businesses, and a series of business roundtables and forums being created to improve communication between the department and industry on the policy proposals.

The BTHA and the UK toy industry, through its membership of the Alliance for Intellectual Property, was represented to government and the Intellectual Property Office on several proposed reforms and changes to the current intellectual property regime. This included lobbying for retaining the status quo of the existing intellectual property exhaustion regime that is still under review by the Minister and responding to the government's call for evidence on the UK designs framework. The government published its response to this in 2022, with further consultation expected in 2023. The BTHA also worked with the Intellectual Property Office on a consumer

campaign during the year to provide guidance on avoiding buying counterfeit toys.

Towards the end of 2022, the UK government introduced the Retained EU Law (Revocation and Reform) Bill into Parliament. The Bill proposes to abolish the status of EU-derived law and will enable the government to amend, repeal, and replace retained EU law more easily with a sunset date of 31 December 2023. The BTHA spent time analysing all the EU-derived laws applicable to UK toy companies with more than 20 pieces of legislation identified including the UK Toys (Safety) Regulations. The BTHA started engagement with department officials to share its analysis of legislation and to ask for the government's commitment to retain these pieces of legislation. This work was ongoing into 2023.

TOY SAFETY

In 2022, the BTHA's safety team had to shift the focus of its work to reflect the increasingly new working requirements for Great Britain (GB), and separately the European Union (EU). The UK Government is continuing to catch up with EU changes since Brexit but has also started its own work and increased enforcement activity. At the same time the EU has started numerous new regulatory initiatives and updates to existing legislation, including to the Toy Safety Directive.

The safety team have been actively engaged with UK Government to monitor changes, guidance, and new procedures to ensure these are proportionate and accurate for the toy industry. Engagement with Toy Industries of Europe also continued to ensure EU changes that affect toys are effectively and appropriately monitored. The UK government's proposal for a Product Safety Review was expected in early 2022 for consultation but was not forthcoming, and at the end of 2022 this important consultation was still being awaited.

Legislative information can often be overwhelming for members and due to the increased number in 2022, the safety team worked hard on only informing members when there are tangible actions that can be taken, or where early warnings are beneficial. This work is reflected in the production of two new tracking documents for members. The first is for UK Government regulatory updates, and the second for EU Directives and legislative updates. These are published for members three times a year along with the existing safety standards and chemicals sheets. Where full guidance is not appropriate, it was decided that new fact sheets would be produced to

give a short, easy to interpret explanation of the legislative changes. The first of these was published early in 2023.

Much of the existing safety guidance was developed before Brexit and now work is underway to check and update all guidance into GB, EU, or combined GB and EU guides. Identification of information gaps on the website has started to make documents more easily accessible.

Divergence between the UK and the EU is becoming wide ranging rather than the exception to the rule. Divergence and how to comply easily with both territories' requirements will be a key issue in the coming years and one that the BTHA will continue to support its members with.

Increased engagement with the Office for Product Safety & Standards (OPSS) resulted in the BTHA providing a visit to a member's warehouse to present the unique challenges faced by the toy industry compared to other consumer good sectors. The BTHA's relationship with OPSS remains positive with regular meetings and free exchange of information and concerns between industry and enforcement. This is most notably seen in OPSS's position change to online marketplaces during 2022, which resulted in OPSS taking increased enforcement action and being very supportive of the BTHA work. The BTHA will continue to build on this close working relationship to help support members with future regulatory challenges.

In 2022, Primary Authority assurance by our Primary Authority partners Milton Keynes was removed from BTHA EU guidance for the Toy Safety Directive, and is in the process of being replaced on BTHA's new GB guidance for the UK (Toys) Safety Regulations.

Work started on a major overhaul of the BTHA Toyograph and development of a chemical substance database to ensure all chemical information is consistent and accurate.

In addition to GB and EU activities, work on global standards and requirements became higher profile due to the increasing number of Free Trade Agreements being negotiated between the UK and countries from around the world. The BTHA monitors agreements to ensure any threats to the UK industry are identified.

The BTHA Toy Retailer Safety Forum continued in 2022 which enables the BTHA to communicate a number of compliance issues and difficulties experienced due to new UK procedures, and to receive support from the retailer members. A new BTHA

Regulatory Forum was also initiated in October to ensure that with increasing UK regulatory and enforcement activity, the BTHA can keep close contact with trading standards and other regulating authorities in the UK. More than 50 members registered to meet virtually twice a year.

Training continued to be offered to trading standards' officers in toy safety matters throughout the year, helping to increase the recognition of the work BTHA members do to remain compliant, as well as giving support to identify rogue traders. Whilst most training continued to be conducted virtually, there were more in person presentations in 2022 including seminars at the Chartered Trading Standards Institute Conference in June.

Work on changes to safety standards continued and 41 standards were added or removed from the BTHA BSI Online subscription service of around 275 standards. Many of the BTHA's Technical Committee members were involved in the development of safety standards and included chairs and conveners of many of the committees. As a result, guidance, and early warning of changes to standards was maintained during 2022 as BSI remained members of CEN in the EU.

The Toy Safety Advisory Service continues to be a well-used resource with more than 556 phone and email queries fielded from members to help with toy safety issues throughout the year. To support the increasing number of new BTHA members with their knowledge of toy safety, onboarding training was developed which will be rolled out from 2023.

Finally, on the last day of 2022 the New Year Honours list was published which confirmed that the BTHA's Head of Compliance Jerry Burnie was to be awarded an OBE for his services to business and consumers in relation to toy safety. Not only was this a personal honour, but it reflects the high standing given to safety by the BTHA and its members.

SUSTAINABILITY

The BTHA's work in the area of sustainability increased in 2022 to reflect the growing policy and regulatory developments in the area, as well as the growing interest and demand for information and guidance from BTHA members.

There were several pieces of new legislation introduced in 2022 that were closely monitored by the BTHA to help give members early insight, and to support with compliance.

In 2022, the government published its response to the packaging extended producer responsibility consultation setting out its policy proposals for implementation. Under extended producer responsibility, producers will for the first time be responsible for paying the full cost of the recovery of any packaging it places on the market – increasing costs for BTHA members. The BTHA's Sustainability Committee spent considerable time during the year analysing the proposals, and raising questions to government that would help the whole industry with preparing for the new requirements. The BTHA, with the support of Comply Direct (now known as Beyondly), produced a guidance document on the 2023 requirements to help members understand the new legal responsibilities. The BTHA will continue to represent members' concerns during 2023 as government develops the final regulations and guidance for businesses.

As part of the packaging extended producer responsibility changes, the government consulted on reforming the current packaging recovery note (PRN) system in the UK which is being kept as an interim solution for complying with recycling targets until at least 2026 or 2027. The BTHA responded to the consultation on behalf of members and following the consultation, the government has set out its intention to introduce several of the proposals that should improve the transparency and price volatility of the PRN market for BTHA members.

The Plastic Packaging Tax came into force on 1 April 2022, and the BTHA provided members with information and guidance to help them with compliance. The BTHA also continued to remind members of the Competition and Markets Authority Green Claims Code which saw increased enforcement action throughout the year. This is expected to be an increasing area of regulation in the coming years in both the UK and EU, and one that the BTHA will closely monitor and guide members on.

Away from changes in the UK, the BTHA has been keeping abreast of the increasing number of sustainability related legislation being developed and discussed in the EU, and within individual EU member states. During the year, the BTHA kept members informed on the different packaging requirements across five EU member states. Due to the high impact and imminence of the French Triman obligations, a sub-group of individual members of the Sustainability Committee volunteered additional time to develop a BTHA Triman guide to help other members understand the requirements.

The BTHA continued to explore options for supporting greater toy recycling in

the UK given the growing interest from members, and with increasing pressure from regulators to move towards a more circular economy to help combat climate change. Following on from the BTHA's pilot in 2021, the BTHA commissioned Comply Direct to conduct research on toy recycling with wider considerations of the circular economy. Toys remain an extremely challenging material stream to process due to their multi-components, material formats, and huge diversity. To optimise the end-of-life solutions, the research concluded with a number of recommended short-, medium-, and longer-term actions that could be taken by the BTHA and its members across design, reuse, and recycling. The BTHA agreed a plan of work to take some of the recommendations forward in 2023.

TOY FAIR® AND EVENTS

Toy Fair 2022 took place in January at Olympia London and was the first Toy Fair to take place since 2020, after Covid-19 prevented the show from taking place in 2021. There was some uncertainty whether the show would be able to go ahead due to the rise of the Omicron variant towards the end of 2021. However, after much discussion and all factors taken into consideration, confirmation that Toy Fair 2022 was able to go ahead was announced in early January.

Strict Covid-19 measures, in line with government guidance, were put in place for all attendees including mandatory mask wearing and proof of vaccination or a negative PCR or lateral flow test (within 48 hours prior to arrival). Exhibitors were supported closely in their preparations and encouraged early on to consider the risk of Covid-19 when designing their stand.

Certain elements of the show which usually involve close contact were omitted in order to help mitigate the potential spread of Covid-19 such as Toy Fair TV stand visits, the Demo Zone, and Influencer Day. The main objective was to provide exhibitors with a safe platform to meet face-to-face with retailers, licensors, and the wider industry – something they had not been able to do in person for a long period of time.

A small camera crew from Silverstream TV who usually produce Toy Fair TV attended the show to capture footage for marketing purposes.

Due to the ongoing redevelopment works at Olympia London, 2022 was the first year that Toy Fair used its new layout across the Grand and National Halls including part of the National Gallery which was opened late on to accommodate a flurry of late applications.

The extended online exhibitor listing gave exhibitors the opportunity to upload photos, videos, catalogue links and contact details. This opportunity provided exhibitors with an extra platform to showcase a snapshot of their products online to reach those who may not have been able to attend in person.

Toy Fair was the only dedicated toy trade show to take place in the early part of 2022 and was widely hailed a great success.

The BTHA Training Hub ran three free training webinars exclusively for members in 2022. The webinars were on: the ICTI Ethical Toy Programme's (IETP) new Environmental Assessment tool, 'a Roadmap to reduce environmental impact and be a socially responsible business: Net Zero and Environmental, Social & Governance' which was in partnership with associate member Comply Direct (now known as Beyondly), and a look ahead webinar on regulatory updates members needed to be aware of in 2023.

The annual BTHA AGM and Industry Day took place in June 2022 at Great Fosters Hotel, Egham, Surrey. The Industry Day welcomed back popular guest speaker Don Williams, from KPMG, who gave a presentation on the current retail outlook, as well as Baroness Tanni Grey-Thompson DBE who gave an inspirational talk entitled 'Aiming High'.

MAKE TIME 2 PLAY

The main priority for the Make Time 2 play campaign in 2022 was to continue promoting its presence on social media, as well as the promotion of the free Make Time 2 Play app through the advertising kindly donated across Sky Kids, ITV8 and Warner. The adverts ran during the first half of the year and were watched by a total of 6.7 million people.

TOY TRUST

2022 saw The Toy Trust's 30th year of fundraising with the amount raised over the past 30 years now standing at more than £6.6m.

There were several industry fundraising events that took place throughout the year. This included annual fundraising activities such as the Media Auction held online in 2022 that raised £77,500 through bids placed on the generously donated TV, online and catalogue slots, as well as the Christmas Card Initiative that raised £19,250. In June 2022, 275 people from the industry took part together in the first 'Big Challenge' event following a three year break due to Covid-19. The event saw participants take part in walking, running and cycling challenges and a team Dragon Boat Race Tournament. The event raised £62,184 for the charity.

In total, the Toy Trust was able to donate a total of £207,850 to 51 children's charities. Larger support was pledged to Spread a Smile and Starlight Children's Foundation, who received £50,000 and £12,500 respectively. These two children's charities were working in UK hospitals with children undergoing treatment or receiving long term care.

The full list of recipients were:

Samaritan's Purse
Wellspring West Sussex
Blue Smile
CARIS Families
Chain Reaction
Clapgate Community Fund
Derby Kids Camp
Focus Surrey
Friends of Manor Mead School
Friends of Rossmar
SELFA
SPLASH
The Kayaks Special Needs Support Group
The Pepper Foundation
African Physical Training Organization
Association of Parents & Friends of Bower Grove School
East Liverpool Riding for Disabled Association
Family Unit Trust
Flamingo Chicks
Jump Children's Charity
Lancashire Teaching Hospitals Charity
Little Miracles Charitable Incorporated Organisation
Make a Smile
Momentum Children's Charity
Pictologue
Sandwell Young Carers
The Downright Special Network
The Principle Trust
Starlight Children's Foundation
Spread a Smile
MYTIME Young Carers
Little Heroes ASD Support Group
Kids Bank Chester
Friends of Gosforth School
Ellie Gosling
Embrace Child Victims of Crime
Cumbernauld Vineyard Church
Charlotte's Brightside
Byrne Ave Trust
Safe Steps
Sal's Shoes
Walthew House
Spread Some Sunshine
Alford Hub
Bridge Church Lincoln
Evie's Gift
Heads2minds
Shine a Light Childhood Cancer Trust
South Gloucestershire Playscheme
The Dorset Children's Foundation
The Liberty Centre

INTERNATIONAL AFFAIRS

With the UK government now negotiating its own Free Trade Agreements, the BTHA has become increasingly involved in representing members global interests with UK government. Free Trade Agreements are being negotiated between the UK and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Canada, Mexico, India, Gulf, Switzerland, and South Korea. The BTHA is a member of the government's thematic trade working group to represent members interests during the negotiation process. During the year, the BTHA made submissions to the UK government on Technical Barriers to Trade which were consequently raised on behalf of the UK toy industry through the World Trade Organisation (WTO) forums.

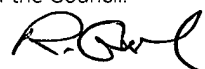
The BTHA remains an active member of Toy Industries of Europe (TIE). TIE membership supports the BTHA to monitor and keep on top of the increasing number of European policy and legislative developments and ensures the BTHA and our members are represented at a European level. The BTHA also remains a member of the International Council of Toy Industries (ICTI).

The BTHA is proud to serve its members and will continue to offer guidance and support to help its members better navigate the business of toys.

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

By order of the Council.

R Earl
Secretary
22 May 2023



03 THE COUNCIL OFFICERS & ADVISERS

PRESIDENT

Philip Ratcliffe

CHAIRMAN

Graham Canning

VICE-**PRESIDENT**

Jon Diver

VICE-**CHAIRMAN**

Simon Pilkington

DIRECTORS

Nic Aldridge

Gillian Archer (appointed March 2023)

Neil Bandtock (resigned March 2022)

Nicola Bergot (appointed September 2022)

Jerry Burnie

Mark Foster

Nicola Fox-Haggarty

Anna Gribben (nee Chapman)

Michael Hick

Colin Houlihan

Richard Keel

Timothy Mulhall

Christine Nicholls

Christian Pau

Neil Shinner

Jacqueline Taylor (appointed March 2023)

Jonathan Taylor

Sara Taylor

Claire Terry (resigned March 2023)

Nicholas Thomas

Mary Wood

Clive Wooster

DIRECTOR GENERAL/**SECRETARY**

Roland Earl

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00388895

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Acre House

11-15 William Road

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Barclays Commercial Bank

Level 25

1 Churchill Place

London E14 5HP

SOLICITORS

DLA Piper UK LLP

Princes Exchange

Princes Square

Leeds LS1 4BY

04 NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the seventy-ninth Annual General Meeting of the Association is appointed to be held at Great Fosters Hotel, Stroude Road, Egham, Surrey TW20 9UR at 9.30am on Wednesday 28th June 2023, to transact the following business:

1. To receive the Report and Accounts for the year ended 31 December 2022.
2. To elect members of Council.

It is provided in the Articles of Association that the Council shall consist of such number of Members of Council as the Council for the time being shall determine and that at the Annual General Meeting to be held each year, one-third of the Council (or if their number is not a multiple of three then the number nearest to but not exceeding one third) shall retire from office.

The following are the names of the members of Council who retire on this occasion:

Mr M Foster (Playmobil UK Ltd)
 Ms N Fox-Haggarty (Hasbro UK Ltd)
 Mr C Houlihan (HTI Ltd)
 Mr R Keel (Keel Toys)
 Ms C Nicholls (Golden Bear Products Ltd)
 Mr N Shinner (Moose Toys)
 Ms C Terry (The Walt Disney Company)

With the exception of Ms C Terry, who resigned from the Council in March 2023, all the members above are eligible and willing to stand for re-election.

The following are the names of members of Council – who were appointed to Council during the year before the AGM in 2023 – and whose names are therefore submitted for re-election in accordance with Article 31:

Ms G Archer (The Walt Disney Company)
 Ms N Bergot (Magic Box)
 Ms J Taylor (James Galt Ltd)

There are no current vacancies arising from retirements. The Council has decided to set the number of Council members at twenty-four.

NOTE: Article 43 reads "No person not being a member of Council retiring at the meeting shall, unless recommended by the Council for election, be eligible for office on the Council at any General Meeting, unless within the prescribed time before the day appointed for the meeting there shall have been given to the Secretary notice in writing, by some member duly qualified to be present and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his willingness to be elected. The prescribed time above mentioned shall be such that, between the date when the notice is served or deemed to be served, and the day appointed, there shall be no less than seven or more than fourteen intervening days".

3. To re-appoint the auditors, HW Fisher LLP, in accordance with section 485 of the Companies Act, 2006, to hold office until the conclusion of the next general meeting at which the accounts are laid before the company and to authorise the Council to fix their remuneration.
4. To transact any other business.

By Order of the Council
 R Earl
 Secretary
 22 May 2023

05 INDEPENDENT AUDITORS' REPORT

to the members of the British Toy & Hobby Association Limited

Opinion

We have audited the financial statements of British Toy & Hobby Association Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Auditors' 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.

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006, Health and Safety and employment law.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the valuation of tangible fixed assets and investment properties.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities.

- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank balances and other investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the Director minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors of the company.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

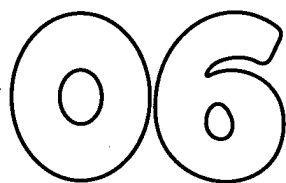
Use of our report

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.

Mandy Janes
(Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London NW1 3ER
United Kingdom

28 June 2023



ACCOUNTS

for the year ended 31 December 2022

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover		2,325,631	543,927
Cost of sales		(1,058,567)	(2,331)
Gross profit		1,267,064	541,596
Administrative expenses		(1,551,953)	(1,421,463)
Operating loss		(284,889)	(879,867)
Interest receivable and similar income	5	109,999	1,038,986
Investment gains and losses and similar income	3	(663,574)	468,001
Fair value gains and losses on investment properties	9	23,000	-
Profit/(loss) before taxation		(815,464)	627,120
Tax on profit/(loss)	6	217,545	(39,137)
Profit/(loss) for the financial year		(597,919)	587,983
Other comprehensive income			
Revaluation of tangible fixed assets		(156,909)	133,772
Total comprehensive income for the year		(754,828)	721,755

BALANCE SHEET

as at 31 December 2022

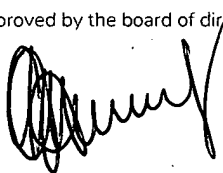
BALANCE SHEET
as at 31 December 2022

	Notes	2022	2021
		£	£
Fixed assets			
Intangible assets	7	57,468	-
Tangible assets	8	2,043,026	2,451,873
Investment properties	9	920,000	897,000
Investments	10	5,067,072	5,717,833
		<u>8,087,566</u>	<u>9,066,706</u>
Current assets			
Debtors	11	921,494	967,830
Cash at bank and in hand		1,307,069	1,068,105
		<u>2,228,563</u>	<u>2,035,935</u>
Creditors: amounts falling due within one year	12	(2,163,525)	(1,977,664)
Net current assets/(liabilities)		<u>65,038</u>	<u>58,271</u>
Total assets less current liabilities		8,152,604	9,124,977
Provisions for liabilities	13	(183,702)	(401,247)
Net assets		<u>7,968,902</u>	<u>8,723,730</u>
Capital and reserves			
Revaluation reserve		-	156,909
Investment revaluation reserve		529,627	1,221,037
Profit and loss reserve		7,439,275	7,345,784
Total equity		<u>7,968,902</u>	<u>8,723,730</u>

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

The financial statements were approved by the board of directors and authorised for issue on 22 May 2023 and are signed on its behalf by:

Graham Canning
Director



Company Registration No. 00388895

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Revaluation reserve	Investment revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2021	23,137	1,001,744	6,977,094	8,001,975
Year ended 31 December 2021:				
Profit for the year	–	–	587,983	587,983
Other comprehensive income:				
Revaluation of tangible fixed assets	133,772	–	–	133,772
Total comprehensive income for the year	133,772	–	587,983	721,755
Other movements	–	219,293	(219,293)	–
Balance at 31 December 2021	156,909	1,221,037	7,345,784	8,723,730
Year ended 31 December 2022:				
Loss for the year	–	–	(597,919)	(597,919)
Other comprehensive income:				
Revaluation of tangible fixed assets	(156,909)	–	–	(156,909)
Total comprehensive income for the year	(156,909)	–	(597,919)	(754,828)
Transfers	–	(691,410)	691,410	–
Balance at 31 December 2022	–	529,627	7,439,275	7,968,902

07 NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

1 Accounting policies

Company information

British Toy & Hobby Association Limited is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is BTHA House, 142-144 Long Lane, London SE1 4BS.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include properties and listed investments at fair value. The principal accounting policies adopted are set out below.

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiaries undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

1.2 Going concern

The Association's main event, the Toy Fair, was able to go ahead as planned in January 2022 following on from the Covid-19 pandemic. However, the year ended with a loss, largely resulting from unrealised fair value decreases in the Association's investments and property assets due to market changes. The Directors have considered the resources available to the entity. The Association maintains a sensible cash balance and access to cash in its investment portfolio for its activities. As such the directors have a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services such as membership subscription and exhibition income (toy fair) provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Income from the toy fair to be held after the year end and the related costs are included in the financial statements as "Deferred Income" and "Prepayments" respectively to be credited and charged to the profit and loss account in the following year's financial statements.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

CRM costs	10% per annum
-----------	---------------

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured net of depreciation.

Depreciation is recognised on the straight line basis so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Buildings	2% per annum
Fixtures & fittings	10% per annum
Office equipment	20% per annum
Computer equipment	33% per annum

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss and is subsequently transferred within equity to the "investment revaluation reserve" together with the associated deferred tax.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments other than those in subsidiaries are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss and are subsequently transferred within equity to the "investment revaluation reserve" together with the associated deferred tax. Transaction costs are expensed to profit or loss as incurred.

1.8 Financial instruments

Fair value measurement of financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the

difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical estimates

The following estimates have had the most significant effect on amounts recognised in the financial statements.

Depreciation of tangible fixed assets

The company's policy for depreciation of tangible fixed assets is designed to allocate the assets' depreciable amounts on a systematic basis over their useful lives.

The application of this policy involves estimates of the assets' residual values and useful lives and judgement over the company's pattern of consumption of the assets' economic benefit.

In each reporting period the directors review for indicators of changes in any of these factors and if necessary adjust their estimates accordingly.

Valuation of owned property and investment property

Determining the fair value of the company's owned property and investment property as at each balance sheet date involves an element of estimation. The valuation is carried out by an independent firm of chartered surveyors, who are not connected with the company. The valuer assessed the value of the owned property and investment property as at 31 December 2022 based on recent market transactions on arm's length terms for similar properties. The Directors are of the opinion that the valuation represents the market value of the property as at 31 December 2022.

3 Investment gains and losses and similar income

	2022	2021
	£	£
Profit/(loss) from sale of fixed asset investments	(85,599)	13,222
Gain/(loss) on fixed asset investments measured at fair value through profit or loss	(577,975)	454,779
	<u>(663,574)</u>	<u>468,001</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Total	6	6

5 Interest receivable and similar income

	2022	2021
	£	£
Interest receivable and similar income includes the following:		
Income from shares in group undertakings	-	815,935
Income from listed investments	98,263	98,253
Rent receivable from investment property	4,907	115,169
Interest receivable	6,829	9,629
Total interest receivable and similar income	<u>109,999</u>	<u>1,038,986</u>

6 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	(217,545)	39,137

7 Intangible fixed assets

	CRM Costs £
Cost	
At 1 January 2022	-
Additions	60,000
At 31 December 2022	60,000
Amortisation and impairment	
At 1 January 2022	-
Amortisation charged for the year	2,532
At 31 December 2022	2,532
Carrying amount	
At 31 December 2022	57,468
At 31 December 2021	-

8 Tangible fixed assets

	Land and buildings £	Fixtures, fittings and equipment etc. £	Total £
Cost or valuation			
At 1 January 2022	2,233,000	510,374	2,743,374
Additions	-	2,437	2,437
Revaluation	(363,000)	-	(363,000)
At 31 December 2022	1,870,000	512,811	2,382,811
Depreciation and impairment			
At 1 January 2022	-	291,501	291,501
Depreciation charged in the year	28,772	48,284	77,056
Revaluation	(28,772)	-	(28,772)
At 31 December 2022	-	339,785	339,785
Carrying amount			
At 31 December 2022	1,870,000	173,026	2,043,026
At 31 December 2021	2,233,000	218,873	2,451,873

Land and buildings were valued in December 2022 by an independent firm of chartered surveyors who are not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on a historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2022	2021
	£	£
Cost	2,246,477	2,246,477
Accumulated depreciation	(199,158)	(172,845)
Carrying value	2,047,319	2,073,632

9 Investment property

	2022	2021
	£	£
Fair value		
At 1 January 2022	897,000	897,000
Revaluations	23,000	-
At 31 December 2022	920,000	897,000

The fair value of the whole property at 142-144 Long Lane, London SE1 4BS was arrived at on the basis of a valuation carried out in December 2022 by an independent firm of chartered surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

10 Fixed asset investments

	2022	2021
	£	£
Investments in subsidiaries	200	200
Other investments	5,009,737	5,397,762
Cash in portfolio	57,135	319,871
	5,067,072	5,717,833

Movements in fixed asset investments	Investment in subsidiary	Other investments	Cash in Portfolio	Total
	£	£	£	£
Cost or valuation				
At 1 January 2022	200	5,397,762	319,871	5,717,833
Additions	-	1,065,546	(1,065,546)	-
Valuation changes	-	(577,975)	-	(577,975)
Loss on sale of investments	-	(85,599)	-	(85,599)
Other movements	-	-	12,813	12,813
Disposals	-	(789,997)	789,997	-
At 31 December 2022	200	5,009,737	57,135	5,067,072
Carrying amount				
At 31 December 2022	200	5,009,737	57,135	5,067,072
At 31 December 2021	200	5,397,762	319,871	5,717,833

11 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	5,312	50,801
Corporation tax recoverable	378	378
Other debtors	33,057	25,839
Prepayments and accrued income	882,747	890,812
	<u>921,494</u>	<u>967,830</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	68,265	60,626
Amounts due to subsidiary undertakings	200	200
Other taxation and social security	152,127	154,928
Other creditors	27,726	35,460
Accruals and deferred income	1,915,207	1,726,450
	<u>2,163,525</u>	<u>1,977,664</u>

13 Provisions for liabilities

	2022	2021
	£	£
Deferred tax liabilities	183,702	401,247
	<u>183,702</u>	<u>401,247</u>

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking incorporation or residency	Registered office	Nature of business	Class of shareholding	% Held Direct
British Toy Council Limited	142-144 Long Lane, London, SE1 4BS, UK	Dormant	Ordinary	100.00
British Toy Fairs (International) Limited	142-144 Long Lane, London, SE1 4BS, UK	Dormant	Ordinary	100.00

15 Related party transactions

British Toy and Hobby Association is a trustee of the Toy Trust, a charity, and made donations to the charity of £26,025 (2021: £nil). Four of the trustees of the Charity also served on the Council of British Toy and Hobby Association during the year. As at the year end, the Toy Trust owed £15,177 (2021: £4,260) to British Toy and Hobby Association.

The directors did not receive any emoluments as directors during the year. However, Mr J Burnie received £106,413 (2021: £149,719) including expenses for consultancy services rendered to the Association in respect of toy safety.

BENEFITS OF BTHA MEMBERSHIP*

* some of the benefits are only available to full members

ADVICE AND REPRESENTATION FROM THE BTHA SECRETARIAT

- Protection, promotion, and safeguarding of business interests
- Representation in Westminster, Whitehall, and in the media on industry related issues
- Active campaigns on issues of importance to members
- Guidance published to members via the website to help members with compliance*
- Receive weekly industry news via the BTHA newsletter service to all members
- Member of Toy Industries of Europe to ensure effective representation on behalf of members
- Global affiliation as an active member of International Council of Toy Industries

TOY SAFETY CONSULTANCY AND GUIDANCE

- Free and subsidised toy safety consultancy*
- Free use of Toyograph – a unique tool that helps members with chemical safety regulations and test cost savings*
- Free access to BSI Standards and Yordas Hive*
- Use of the Association's Lion Mark toy safety symbol*
- Membership to the BTHA's Primary Authority Partnership with Milton Keynes Council*

ACCESS TO INDUSTRY EVENTS

- Discounted space at Toy Fair*
- Access to the BTHA training academy events covering the most topical issues impacting the toy industry
- Invitation to the AGM and industry day to hear from expert speakers on industry-related issues
- Invitation to the annual Toy Industry Awards

LINKAGE WITH THE CHARITABLE ACTIVITIES OF THE TOY TRUST

- Participate in the charitable activities of the Toy Trust to raise money for disadvantaged children across the world
- Opportunity to network and have fun with industry friends and colleagues at fundraising events

INVOLVEMENT IN THE MAKE TIME 2 PLAY CAMPAIGN

- Share the Make Time 2 Play campaign which promotes the benefits of toys and play for children's development
- Use the campaign to promote the benefits of your toys
- Access to the campaign's academic research on play
- Use Make Time 2 Play research to apply benefits to your toys
- Use the Make Time 2 Play icons on your toys and websites
-

FREE LONDON MEETING FACILITIES (PRE-BOOKING REQUIRED)

- Book meeting rooms at 'BTHA House'
- Meeting rooms host four, six, or 30 people
- Drop-in hot desks for members to use if in London

For a full list of benefits visit

www.btha.co.uk/benefits-of-membership/

British Toy & Hobby Association

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