

David Halsall International Holdings Limited

Annual report and financial statements

Registered number 3480229

31 December 2018



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Strategic report

Principal activities and future developments

The principal activity of the Company continues to be that of a non-trading holding Company.

Business review

The profit and loss account is set out on page 7 and shows the result for the year.

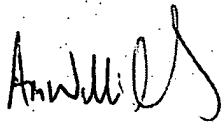
Principal risks and uncertainties

The principal risk facing the Company is impairment of an investment in a subsidiary. The types of risks facing the Company's subsidiaries are explained in more detail in the financial statements of the Company's parent company, JR Hutt Holdings Limited.

Key performance indicators

Being a non-trading company holding investments in subsidiaries the directors consider that there are no key performance indicators for the Company as an individual entity, but instead consider it as part of their analysis of the group headed by the Company's immediate parent JR Hutt Holdings Limited.

On behalf of the board



AM Williams
Director

Eastham House
Copse Road
Fleetwood
Lancashire
FY7 7NY

/0 October 2019

Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2018.

Dividend

A dividend of £nil was declared and paid during the year (31 December 2017: £nil).

Charitable and political contributions

During the year, the Company made no charitable contributions (31 December 2017: £nil). There were no political contributions.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

CA Houlihan
AM Williams

No directors had any interest in the share capital of the Company.

The interests of the directors in the share capital of the parent undertaking, JR Hutt Holdings Limited, are shown in the financial statements of that Company.

Going concern

The Directors, having considered the current trading prospects, identifiable risks, working capital requirements and the availability of finance, are of the opinion that the Company is a going concern. The financial statements have been prepared on this basis. The company has intercompany creditors amounting to £3,666k. No interest has been charged on this balance and the balance is repayable on demand. The Directors have expressed their intention not to recall this amount for a period of at least 12 months from the date of signing the financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Directors Report *(continued)*

Statement of directors' responsibilities in respect of the financial statements *(continued)*

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.

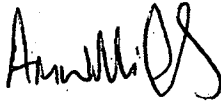
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



AM Williams
Director

Eastham House
Copse Road
Fleetwood
Lancashire
FY7 7NY

/s/ October 2019

Independent auditors' report to the members of David Halsall International Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, David Halsall International Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Profit and loss account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of David Halsall International Holdings Limited (continued)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below:

Strategic report and Directors' report

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 year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of David Halsall International Holdings Limited *(continued)*

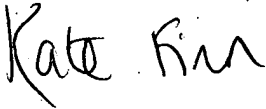
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kate Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

11 October 2019

Profit and loss account
for the year ended 31 December 2018

	Year ended 31 December 2018	Year ended 31 December 2017
	£000	£000
Result on ordinary activities before tax	-	-
Tax on result on ordinary activities	-	-
	<hr/>	<hr/>
Result for the year	-	-
	<hr/>	<hr/>

There was no comprehensive income/expense during the year therefore, no statement of other comprehensive income has been prepared.

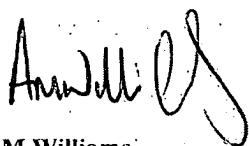
The notes on pages 10 to 13 form part of these financial statements.

Balance Sheet
as at 31 December 2018

	<i>Note</i>	31 December 2018 £000	31 December 2017 £000
Fixed assets			
Investments	4	3,936	3,936
		<u>3,936</u>	<u>3,936</u>
Creditors: amounts falling due within one year	5	(3,866)	(3,866)
Net current liabilities		<u>(3,866)</u>	<u>(3,866)</u>
Net assets		<u>70</u>	<u>70</u>
Capital and reserves			
Called up share capital	6	60	60
Capital redemption reserve		10	10
Profit and loss account		-	-
Total equity		<u>70</u>	<u>70</u>

The notes on pages 10 to 13 form part of these financial statements.

The financial statements on pages 7 to 13 were approved by the Board of Directors on 10 October 2019 and signed on its behalf by:



AM Williams
Director

Company registered number: 3480229

Statement of Changes in Equity

for the year ended 31 December 2018

	Called up Share capital £000	Capital redemption reserve £000	Total Equity £000
Balance at 1 January 2017	60	10	70
Balance at 31 December 2017	60	10	70
Balance at 31 December 2018	60	10	70

Notes

(forming part of the financial statements)

1 Accounting policies

David Halsall International Holdings Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the United Kingdom in England and Wales. The address of the registered office is Eastham House, Copse Road, Fleetwood, FY7 7NY.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

These financial statements have been prepared on a going concern basis, under historical cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of JR Hutt Holdings Limited which are publicly available and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

As a qualifying entity, the company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- (iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- (v) from the requirement to disclose related party transactions as provided by paragraph 33.1A of FRS 102.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of consolidation

The Company has taken advantage of the exemption in Section 400 of the Companies Act 2006 not to prepare consolidated financial statements. David Halsall International Holdings Limited is a wholly owned subsidiary of JR Hutt Holdings Limited, a Company registered in England and Wales, which has prepared consolidated financial statements.

Going concern

The Directors, having considered the current trading prospects, identifiable risks, working capital requirements and the availability of finance, are of the opinion that the Company is a going concern. The financial statements have been prepared on this basis. The company has intercompany creditors amounting to £3,866k. No interest has been charged on this balance and the balance is repayable on demand. The Directors have expressed their intention not to recall this amount for a period of at least 12 months from the date of signing the financial statements.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

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

Dividends

Equity dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Expenses and auditors' remuneration

The audit fee relating to the statutory audit work performed by PricewaterhouseCoopers LLP has been borne by HTI Toys UK Limited, with no recharge.

3 Directors' remuneration

Directors' remuneration has been borne by HTI Toys UK Limited for both years, with no recharge.

Notes (continued)

4 Investments

	31 December 2018 £000	31 December 2017 £000
<i>Fixed asset investments comprise:</i>		
Subsidiary undertakings	3,936	3,936

Subsidiary undertakings

The Company has the following investments in subsidiaries. The principal activity of HTI Toys UK Limited and HTI Toys Hong Kong Limited continued to be the design, manufacture and supply of toys and related products to distributors, wholesalers and retailers worldwide. The remaining subsidiary undertakings are dormant entities.

The net assets of HTI Toys UK Limited is £17,055,000 which is in excess of the carrying value of the Company's investment. Therefore, the investment is recoverable and no impairment exists.

Subsidiary of undertakings	Address	Country of incorporation	Proportion of ordinary share capital held by the Company
David Halsall No 2 Trustee Limited	Eastham House, Copse Road, Fleetwood, FY7 7NY	United Kingdom	100%
HTI Toys UK Limited	Eastham House, Copse Road, Fleetwood, FY7 7NY	United Kingdom	100%
HTI Toys Hong Kong Limited	26/F Elite Centre, 22 Hung To Road, Kwun Tong, Kowloon	Hong Kong	100%*
HTI Toys US Inc	845 3 rd Avenue, 5 th Floor, New York, NY, 10022	USA	100%*
D Stansfield Limited	Eastham House, Copse Road, Fleetwood, FY7 7NY	United Kingdom	100%*
Clifton Constructions (Blackpool) Limited	Eastham House, Copse Road, Fleetwood, FY7 7NY	United Kingdom	100%*
Time 4 Toys Limited	Eastham House, Copse Road, Fleetwood, FY7 7NY	United Kingdom	100%*
David Halsall Trustee Limited	Eastham House, Copse Road, Fleetwood, FY7 7NY	United Kingdom	100%*
Halsall Worldwide Limited	26/F Elite Centre, 22 Hung To Road, Kwun Tong, Kowloon	Hong Kong	100%**

*Shares held indirectly through the subsidiary undertaking HTI Toys UK Limited.

**Shares held indirectly via shareholding in HTI Toys Hong Kong Limited.

D Stansfield Limited, Clifton Construction (Blackpool) Limited and Time 4 Toys Limited were all dormant during the year.

Notes (continued)

5 Creditors: amounts falling due within one year

	31 December 2018 £000	31 December 2017 £000
Amounts owed to subsidiary undertakings	3,866	3,866
	<u>3,866</u>	<u>3,866</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand. The Directors have expressed their intention, not to recall this amount for a period of at least 12 months from the date of signing the financial statements.

6 Called up share capital

	31 December 2018 Number	31 December 2017 Number	31 December 2018 £000	31 December 2017 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	59,691	59,691	60	60
	<u>59,691</u>	<u>59,691</u>	<u>60</u>	<u>60</u>

7 Ultimate Parent Company

The Company is a subsidiary undertaking of JR Hutt Holdings Limited. The ultimate controlling party is Hutt Investments Limited.

The largest group in which the results of the Company are consolidated is that headed by Hutt Investments Limited, incorporated in the United Kingdom. The smallest group in which they are consolidated is that headed by JR Hutt Holdings Limited, incorporated in the United Kingdom. The consolidated financial statements of these groups are available to the public and may be obtained from Companies House.