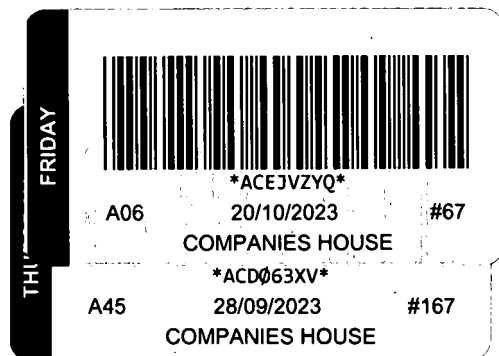


Company Registration No. 03480229 (England and Wales)

**DAVID HALSALL INTERNATIONAL HOLDINGS
LIMITED**

**REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**



DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr C A Houlihan Mr A M Williams |
| Company number | 03480229 |
| Registered office | Eastham House Copse Road Fleetwood Lancashire FY7 7NY |
| Accountants | RSM UK Tax and Accounting Limited Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE |

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

The profit and loss account is set out on page 4 and shows the result for the year.

The company continues to operate as a holding company. The company does not prepare consolidated financial statements as its results and those of its subsidiaries are consolidated into the financial statements of J R Hutt Holdings Limited. This review is therefore given in respect of this company as a holding company only.

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, J R 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. Key performance indicators in respect of the group and the subsidiary companies therein are considered in the financial statement of the company's immediate parent J R Hutt Holdings Limited.

Future developments

The company continues to operate as a holding company and as such we do not consider there to be any significant future developments to note.

S172 statement

The directors of the company must act in accordance with a set of general duties. These duties are detailed in Section 172 of the UK Companies Act. The company, as an intermediate holding company, has no employees, customers or suppliers and as such the directors primarily consider the interest of both the sole member, and immediate parent company, and the wholly owned subsidiaries, with regard to performing their duties on matters set out in Section 172 as outlined below.

The company's strategic decisions are driven by the group who are the ultimate stakeholder. These decisions are made in conjunction with the group board and include dividend, investment and financing.

On behalf of the board

AM Williams

.....
Mr A M Williams

Director

Date: 26/09/23
.....

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

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

Results and dividends

The results for the year are set out on page 4.

Ordinary dividends were paid amounting to £5,500,000 (2021: £2,471,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C A Houlihan

Mr A M Williams

Energy and carbon reporting

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities. The information relating to Energy and Carbon reporting in respect of the company's group is disclosed in the financial statements of HTI Toys UK Limited.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report, including the section 172 statement and the principal risks and uncertainties.

Going concern

The directors, having considered the current operating prospects, identifiable risks 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 £6,337,384 (2021: £6,337,384). No interest has been charged on this balance and the balance is repayable on demand. The directors have obtained assurance from the lending entity that there is no intention to recall the amount for a period of at least 12 months from the date of signing the financial statements.

On behalf of the board

AM Williams

.....
Mr A M Williams

Director

Date: 26/09/23
.....

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of David Halsall International Holdings Limited which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of David Halsall International Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 29 March 2023. Our work has been undertaken solely to prepare for your approval the financial statements of David Halsall International Holdings Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that David Halsall International Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of David Halsall International Holdings Limited under the Act. You consider that David Halsall International Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of David Halsall International Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

RSM UK Tax and Accounting Limited

RSM UK Tax and Accounting Limited
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

26/09/23
.....

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|-----------|-----------|
| Interest receivable and similar income | 3 | 5,500,000 | 2,471,000 |
| Profit before taxation | | 5,500,000 | 2,471,000 |
| Tax on profit | 4 | - | - |
| Profit for the financial year | | 5,500,000 | 2,471,000 |

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Investments | 6 | | 3,936,331 | | 3,936,331 |
| Current assets | | | | | |
| Debtors | 8 | 2,470,837 | | 2,470,837 | |
| Creditors: amounts falling due within one year | 9 | <u>(6,337,477)</u> | | <u>(6,337,477)</u> | |
| Net current liabilities | | | <u>(3,866,640)</u> | | <u>(3,866,640)</u> |
| Total assets less current liabilities | | | <u>69,691</u> | | <u>69,691</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 59,691 | | 59,691 |
| Capital redemption reserve | | | 10,000 | | 10,000 |
| Total equity | | | <u>69,691</u> | | <u>69,691</u> |

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 26/09/23 and are signed on its behalf by:

AM Williams

.....
Mr A M Williams

Director

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | Share capital £ | Capital redemption reserve £ | Profit and loss reserves £ | Total £ |
|--|-------|-----------------------|---------------------------------------|-------------------------------------|-------------|
| Balance at 1 January 2021 | | 59,691 | 10,000 | - | 69,691 |
| Year ended 31 December 2021: | | | | | |
| Profit and total comprehensive income for the year | | - | - | 2,471,000 | 2,471,000 |
| Dividends | 5 | - | - | (2,471,000) | (2,471,000) |
| Balance at 31 December 2021 | | 59,691 | 10,000 | - | 69,691 |
| Year ended 31 December 2022: | | | | | |
| Profit and total comprehensive income for the year | | - | - | 5,500,000 | 5,500,000 |
| Dividends | 5 | - | - | (5,500,000) | (5,500,000) |
| Balance at 31 December 2022 | | 59,691 | 10,000 | - | 69,691 |

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

David Halsall International Holdings Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Eastham House, Copse Road, Fleetwood, Lancashire, FY7 7NY.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

David Halsall International Holdings Limited is a wholly owned subsidiary of J R Hutt Holdings Limited and the results of David Halsall International Holdings Limited are included in the consolidated financial statements of J R Hutt Holdings Limited which are available from Eastham House, Copse Road, Fleetwood, Lancashire, FY7 7NY.

Going concern

The directors, having considered the current operating prospects, identifiable risks 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 £6,337,384 (2021: £6,337,384). No interest has been charged on this balance and the balance is repayable on demand. The directors have obtained assurance from the lending entity that there is no intention to recall the amount for a period of at least 12 months from the date of signing the financial statements.

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.

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Financial instruments

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 other creditors and amounts owed to fellow group undertakings, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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.

3 Interest receivable and similar income

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | £ | £ |
| Income from fixed asset investments | | |
| Income from shares in group undertakings | 5,500,000 | 2,471,000 |
| | <u> </u> | <u> </u> |

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Taxation

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

| | 2022 £ | 2021 £ |
|--|-------------|-----------|
| Profit before taxation | 5,500,000 | 2,471,000 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 1,045,000 | 469,490 |
| Tax effect of income not taxable in determining taxable profit | (1,045,000) | (469,490) |
| Taxation charge for the year | - | - |

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 December 2022.

5 Dividends

| | 2022 £ | 2021 £ |
|------------|-----------|-----------|
| Final paid | 5,500,000 | 2,471,000 |

6 Fixed asset investments

| | Notes | 2022 £ | 2021 £ |
|-----------------------------|-------|-----------|-----------|
| Investments in subsidiaries | 7 | 3,936,331 | 3,936,331 |

Movements in fixed asset investments

| | Shares in group undertakings £ |
|--------------------------------------|---|
| Cost | |
| At 1 January 2022 & 31 December 2022 | 3,936,331 |
| Carrying amount | |
| At 31 December 2022 | 3,936,331 |
| At 31 December 2021 | 3,936,331 |

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Subsidiaries

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

| Name of undertaking | Address | Nature of business | Class of shares held | % Held | |
|---|---------|--|----------------------|--------|----------|
| | | | | Direct | Indirect |
| HTI Toys UK Limited | 1 | Design, manufacture and supply of toys | Ordinary | 100.00 | - |
| HTI Toys Hong Kong Limited | 2 | Design, manufacture and supply of toys | Ordinary | - | 100.00 |
| HTI Toys US Inc | 3 | Design, manufacture and supply of toys | Ordinary | - | 100.00 |
| D Stansfield Limited | 1 | Dormant | Ordinary | - | 100.00 |
| HTI No 2 Trustee Limited | 1 | Dormant | Ordinary | - | 100.00 |
| Clifton Constructions (Blackpool) Limited | 1 | Dormant | Ordinary | - | 100.00 |
| HTI Trustee Limited | 1 | Dormant | Ordinary | - | 100.00 |
| Halsall Worldwide Limited | 2 | Dormant | Ordinary | - | 100.00 |

Registered office addresses (all UK unless otherwise indicated):

- 1 Eastham House, Copse Road, Fleetwood, FY7 7NY
- 2 26/F Elite Centre, 22 Hung To Road, Kwun Tong, Kowloon
- 3 845 3rd Avenue, 5th Floor, New York, NY, 10022

8 Debtors

| | 2022 | 2021 |
|---|-----------|-----------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 2,470,837 | 2,470,837 |

9 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts owed to group undertakings | 6,337,384 | 6,337,384 |
| Other creditors | 93 | 93 |
| | <u>6,337,477</u> | <u>6,337,477</u> |

The amounts owed to group undertakings are unsecured, interest free and repayable on demand. The directors have obtained assurance from the lending entity that there is no intention to recall the amount for a period of at least 12 months from the date of signing the financial statements.

DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|-------------------------------|----------------|----------------|---------------|---------------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary C shares of £1 each | 26,861 | 26,861 | 26,861 | 26,861 |
| Ordinary D shares of £1 each | 32,830 | 32,830 | 32,830 | 32,830 |
| | <u>59,691</u> | <u>59,691</u> | <u>59,691</u> | <u>59,691</u> |

Both classes of shares have full voting and distribution rights.

11 Ultimate controlling party

The company is a subsidiary undertaking of J R Hutt Holdings Limited. The ultimate controlling party is Mr J R Hutt, the majority shareholder of Hutt Investments Limited, the ultimate parent company.

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 J R 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.