

Vivid Toy Group Limited

Annual Report and Financial Statements for the nine month period ended 31 March 2019

Registered Number 05812979



Vivid Toy Group Limited

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Vivid Toy Group Limited

Strategic report for the nine month period ended 31 March 2019

The directors present their strategic report for the Vivid Toy Group Limited (hereafter referred to as the "company") for the nine month period ended 31 March 2019. The company has shortened its reporting period to nine months to make it consistent with that of its parent company and consequently the comparative amounts presented in the financial statements are not for a period of equal lengths but rather for the year ended 30 June 2018.

Review of the business

Vivid Toy Group Limited operates as a non-trading intermediate parent company that incurs costs on behalf of its subsidiaries, which are detailed in note 9. On this basis the directors believe that a review of the business is not deemed necessary as this has been included in the Management Board's report within the consolidated financial statements of Goliath International Holding B.V., which can be obtained from the address detailed in note 15.

Results and position at 31 March 2019

The company's profit for the nine month period was £1,326,000 (year ended 30 June 2018: loss of £825,000). At the period end, the company had net liabilities of £91,592,000 (30 June 2018: net liabilities of £92,918,000). £91,519,000 of the net liabilities relate to amounts owed to other group undertakings (30 June 2018: group liabilities of £73,101,000).

Dividends

The directors do not propose the payment of a dividend (30 June 2018: £nil).

Principal risks and uncertainties and key performance indicators

On the basis that Vivid Toy Group Limited operates as a non-trading intermediate parent company, the directors believe that the principal risks facing the company are minimal.

In addition, the directors believe there are no company-specific key performance indicators. Key performance indicators for the group, along with the group principal risks and uncertainties, are detailed in the Management Board's report within the consolidated financial statements of Goliath International Holding B.V..

Future developments and post balance sheet events

As at the time of approval of this report, the trading performance of the company's main trading subsidiary, Vivid Imaginations Limited, remains in line with our original budgets, established prior to the Covid-19 pandemic. Vivid Imaginations Limited has well-established supplier relationships and procurement processes which has enabled Vivid Imaginations Limited to continue to receive inventory during this period and fulfil the strong demand from its customers for product, in particular stationary and board games.

While the longer-term impact of the Covid-19 pandemic on the economy remains uncertain, we are confident that the company and its subsidiaries are well placed to withstand an economic downturn should this occur. The company's ultimate parent company has long-standing and supportive relationships with its bankers and continues to have access to sufficient working capital facilities for the group's needs.

Vivid Toy Group Limited

Strategic report for the nine month period ended 31 March 2019 (continued)

On 31 January 2020 the UK left the EU (Brexit) and entered an 11 month transition period during which the UK remains in the customs union and single market. At the date of this report it is still unclear as to what the trading arrangements will be with the EU beyond the end of 2020 and the rest of the world and consequently, depending on what these are, they do have the potential to impact a number of areas of our business, including supply change management and additional costs relating to increased tariffs and duties which could impact Vivid Imaginations Limited. Progress in the Brexit negotiations will continue to be monitored and the risks and uncertainties will be managed by the Board as appropriate.


On behalf of the Board

J Golad

Director

December 2020

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Vivid Toy Group Limited

Directors' report for the nine month period ended 31 March 2019

The directors present their report and audited financial statements for the nine month period ended 31 March 2019.

Principal activities

The principal activity of the company is that of an intermediate parent company for its subsidiaries which are detailed in note 9. The company operates as a non-trading company that incurs costs on behalf of the group. The principal activity of the company's subsidiaries is the development, sourcing, marketing and distribution of toys, which is considered to be one integral business by the directors.

Results and dividends

The results and dividends of the company are detailed in the strategic report.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company, Goliath Holding B.V.. The directors have received confirmation that Goliath Holding B.V. intends to support the company for at least one year after the financial statements are signed and will make available such funds as are needed by the company in order to meet its liabilities as they fall due.

Non-adjusting post balance sheet event

Since March 2020 the Covid-19 pandemic has had a significant impact on the UK and Irish economies which are the subsidiary company Vivid Imaginations Limited principal markets. See more details in the Strategic report on page 1.

Directors' Indemnity

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and is currently in force.

Future developments

Future developments for the company are detailed in the strategic report.

Financial risk management

The company operates as a non-trading parent company to its subsidiaries and therefore faces only a limited number of direct financial risks which are credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Credit risk

The company's only debtors are its subsidiaries who have received written advice of the continued financial support of the ultimate parent company, Goliath Holding B.V..

Liquidity risk

The company has facilities in place for short and long term financing from the ultimate parent company, Goliath Holding B.V., to ensure that the company has sufficient funds for operations.

Vivid Toy Group Limited

Directors' report for the nine month period ended 31 March 2019 (continued)

Financial risk management (continued)

Cash flow interest rate risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing liabilities include only amounts owed to parent undertakings, which earn interest at a variable rate. This is not hedged since interest rates are low, are forecast to continue to be low and the lender is a parent company.

The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. In relation to its other facilities, interest rates remain un-hedged.

Directors

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

S McIntosh	(resigned 2 August 2018)
S Keating	(resigned 9 November 2018)
V Rajkumar	(resigned 9 November 2018)
I Slater	(resigned 9 November 2018)
C Hyman	(resigned 9 November 2018)
A Hicks	(resigned 18 December 2018)
R Brooks	(appointed 2 August 2018, resigned 5 July 2019)
A Golad	(appointed 18 December 2018)
J Golad	(appointed 18 December 2018)

Vivid Toy Group Limited

Directors' report for the nine month period ended 31 March 2019 (continued)

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.

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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

J Golad
Director
December 2020

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Independent auditors' report to the members of Vivid Toy Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Vivid Toy Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the nine month period (the "period") 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 March 2019; the Profit and loss account and statement of comprehensive income, the Statement of changes in equity for the nine month period 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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.

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.

Vivid Toy Group Limited

Independent auditors' report to the members of Vivid Toy Group Limited (continued)

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 period ended 31 March 2019 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 set out on page 5, 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.

Vivid Toy Group Limited

Independent auditors' report to the members of Vivid Toy Group Limited (continued)

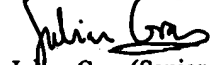
Other required reporting

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.



Julian Gray (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
23 December 2020

Vivid Toy Group Limited

Profit and loss account and statement of comprehensive income

	Note	Nine month period ended 31 March 2019	Year ended 30 June 2018
		£'000	£'000
Administrative expenses		(215)	(65)
Operating loss	4	(215)	(65)
Other finance income	6	1,916	337
Interest payable and similar expenses	7	(375)	(1,097)
Profit / (loss) before taxation		1,326	(825)
Tax on profit /(loss)	8	-	-
Profit / (loss) and total comprehensive income/(expense) for the financial period/year		1,326	(825)

All amounts relate to continuing operations.

Vivid Toy Group Limited

Balance sheet as at 31 March 2019

	Note	As at 31 March 2019 £'000	As at 30 June 2018 £'000
Fixed assets			
Investments	9	-	-
Current assets			
Debtors	10	70	219
		70	219
Creditors: amounts falling due within one year	11	(91,662)	(91,293)
Net current liabilities		(91,592)	(91,074)
Total assets less current liabilities		(91,592)	(91,074)
Debenture loans	12	-	(1,844)
Net liabilities		(91,592)	(92,918)
Capital and reserves			
Called up share capital	13	21	21
Share premium account		40,412	40,412
Accumulated losses		(132,025)	(133,351)
Total shareholders' deficit		(91,592)	(92,918)

The notes on pages 12 to 21 are an integral part of these financial statements.

The financial statements on pages 9 to 21 were approved by the Board of Directors on 21 December 2020 and signed on its behalf by:


J Golad
Director

Company Number 05812979

Vivid Toy Group Limited

Statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Accumulated losses £'000	Total shareholders' deficit £'000
Balance as at 1 July 2017	21	40,412	(132,526)	(92,093)
Loss and total comprehensive expense for the year	-	-	(825)	(825)
Balance as at 30 June 2018	21	40,412	(133,351)	(92,918)
Profit and total comprehensive income for the nine month period	-	-	1,326	1,326
Balance as at 31 March 2019	21	40,412	(132,025)	(91,592)

Vivid Toy Group Limited

1 General Information

The principal activity of the company is that of an intermediate parent company to the subsidiaries which are detailed in note 9 to the financial statements.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is Ashbourne House, The Guildway, Old Portsmouth Road, Guildford, Surrey, GU3 1LS.

2 Statement of compliance

The financial statements of Vivid Toy Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. In addition the company has elected to specifically adopt FRS102 sections 11 and 12 that relate to Financial instruments.

3 Summary of significant accounting policies

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

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

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's accounting policies. In preparing these financial statements management have concluded:

- (a) There are no critical accounting estimates and assumptions, and
- (b) There are no critical judgements in applying the entity's accounting policies.

(b) Going concern

These financial statements have been prepared on a going concern basis, which assumes that the company will be able to meet all its obligations as and when they fall due for the foreseeable future.

Whilst the Covid-19 pandemic has had a major impact on many parts of the economy, sales of the company's main subsidiary, Vivid Imaginations Limited, have remained resilient and consequently the impact of the Covid-19 pandemic has so far been minimal on the financial results of the company, wider Vivid group, and those of the ultimate parent company Goliath Holding B.V.

The directors have received confirmation that Goliath Holding B.V. intends to support the company for at least one year after the financial statements are signed and will make available such funds as are needed by the company in order to meet its liabilities as they fall due.

With this support in place and after assessing and gaining comfort of Goliath Holding B.V.'s ability to provide the support if required, the Directors' have a reasonable expectation that the company has adequate resources to continue an operational existence for the foreseeable future. The Directors' therefore consider that it is appropriate to adopt the going concern basis in preparing the financial statements

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

3 Summary of significant accounting policies (continued)

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions.

The company has taken advantage of the following exemptions in its financial statements:

- i. From preparing a statement of cash flows, per FRS 102 paragraph 1.12 (b), on the basis that it is a qualifying entity and the entity's cash flows are included in the consolidated statement of cash flows within the consolidated financial statements of Goliath International Holding B.V., which are publicly available.
- ii. From the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statements of Goliath International Holding B.V.,.
- iii. From disclosing the company key management personnel compensation, as required by FRS102 paragraph 33.7
- iv. From disclosing transactions, per FRS102 section 33.1A, between group companies as long as the subsidiary that is party to the transaction is wholly owned within the group.

(d) Exemption from preparing consolidated financial statements

The company is a wholly-owned subsidiary of Vivid Topco Limited which is ultimately owned by Goliath Holding B.V. and is included in the consolidated financial statements of Goliath International Holding B.V. which are publicly available at the ultimate parent company's office as detailed in note 15. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

(e) Foreign currencies

(i) Functional and presentational currency

The company's functional currency and presentation currency is the pound sterling.

(ii) Transactions and balances

Trading transactions denominated in foreign currencies are translated into pound sterling at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

3 Summary of significant accounting policies (continued)

g) Impairment of non-financial assets

At each balance sheet date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

(h) Financial Instruments

i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and loans to fellow group companies, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

3 Summary of significant accounting policies (continued)

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(i) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

3 Summary of significant accounting policies (continued)

(i) Taxation (continued)

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

(j) Deferred loan finance costs

In accordance with FRS 102 Section 11, transaction costs associated with long term loan financing are deferred against the loan creditor and amortised on a straight line basis over the period of the loan financing.

(k) Investments

Investment in subsidiary company are held at historical cost less accumulated impairment losses.

(l) Related parties

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transaction on the company's financial statements.

(m) Other finance income/interest payable

The company accounts for other finance income and interest payable on an accruals basis.

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

4 Operating loss

Operating loss is stated after charging:

	Nine month period ended 31 March 2019 £'000	Year ended 30 June 2018 £'000
Deferred transaction fees	125	26

Auditors' remuneration in respect of the audit of the company's financial statements of £32,750 (2018: £27,000) was borne by a group undertaking, Vivid Imaginations Limited, and is excluded from the results of this company. There are no fees paid for other non-audit services (2018: £nil).

5 Staff costs

The company had no employees (year ended 30 June 2018: none).

The directors received no emoluments from the company (year ended 30 June 2018: £nil) though they are remunerated through other group companies. It is not possible to determine a specific allocation for their services rendered to this company.

6 Other finance income

	Nine month period ended 31 March 2019 £'000	Year ended 30 June 2018 £'000
Other finance income	1,916	337

On 9 November 2018, Vivid Topco Ltd was sold to GUK Holding Limited and the ultimate parent company became Goliath Holding B.V., a company incorporated in the Netherlands.

Immediately prior to this acquisition, the shareholder term loan and the shareholder loan notes held by Privet Capital Special Situations 1 LP were assigned to Vivid Topco Ltd. The assigned principal on the shareholder term loan of £17,000,000 and principal on the loan notes of £1,281,000 were amended to be a simple intercompany debts, and accumulated interest payable was waived.

The net impact on the profit and loss of accumulated interest on the shareholder term loan and loan note waived on 9 November 2018 was £1,305,000 and £611,000, respectively.

7 Interest payable and similar expenses

	Nine month period ended 31 March 2019 £'000	Year ended 30 June 2018 £'000
Interest payable and similar expenses	375	1,097

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

8 Tax on profit/(loss)

(a) Analysis of charge in period/year

	Nine month period ended 31 March 2019 £'000	Year ended 30 June 2018 £'000
UK corporation tax at 19% (2018: 19%)		
Current	-	-
Tax on profit/(loss)	-	-

During the financial period, the tax assessed is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below.

(b) Factors affecting current tax charge for the period

	Nine month period ended 31 March 2019 £'000	Year ended 30 June 2018 £'000
Profit /(loss) before taxation	1,326	(825)
Profit/(loss) on multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	252	(157)
Effects of:		
Transfer pricing adjustments	(511)	(673)
Expenses not deductible for tax purposes	24	34
Loan and interest waivers	(131)	-
Deferred tax not provided	366	796
Total charge for the year	-	-

The company has unrecognised deferred tax assets of £2,053,000 (30 June 2018: an unrecognised deferred tax asset of £1,711,000) relating to tax losses.

(c) Factors that may affect future tax charges

In the March 2020 Budget, the UK Government announced its intention to reverse the planned rate reduction and to maintain the current rate of 19%, with this being substantively enacted on 17 March 2020. However as the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, deferred taxes have been measured at 17% which has been reflected in these financial statements.

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

9 Investments

	Investment in subsidiary undertakings £'000	Share options granted to subsidiary undertakings £'000	Total investment in subsidiary undertakings £'000
Cost			
At 1 July 2018	116,123	459	116,582
At 31 March 2019	116,123	459	116,582
Provision			
At 1 July 2018	(116,123)	(459)	(116,582)
At 31 March 2019	(116,123)	(459)	(116,582)
Net book amount			
At 31 March 2019	-	-	-
At 30 June 2018	-	-	-

The carrying value of the investments was impaired following the acquisition by the previous ultimate parent company, Privet Capital Special Situations 1LP on 23 March 2017. All subsidiary undertakings are 100% owned. The subsidiaries are as follows:

Name of subsidiary	Address of the registered office	Ownership
Vivid Imaginations Limited	Ashbourne House, The Guildway, Old Portsmouth Road, Guildford, GU3 1LS UK	Direct
Vivid Imaginations (Far East) Limited	Suite 1106 11/F Chinachem, Golden Plaza, 77 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong	Indirect
Vivid Europe SAS	1 Allée des Bas Tilliers, 92230 Gennevilliers, France	Direct
Vivid Deutschland GmbH	An der Mühlhecke 19-21, 64569 Nauheim, Germany	Direct

All the companies are toy sales and marketing companies.

10 Debtors

	31 March 2019 £'000	30 June 2018 £'000
Amounts owed by group undertakings	70	70
Taxation and other social security	-	7
Prepayments and accrued income	-	142
	70	219

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

11 Creditors: amounts falling due within one year

	31 March 2019 £'000	30 June 2018 £'000
Shareholder term loan (note 12)	-	17,000
Trade creditors	-	28
Amounts owed to group undertakings	91,519	73,101
Other creditors	143	143
Accruals and deferred income	-	1,021
	91,662	91,293

Amounts owing to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 Loans and other borrowings

	31 March 2019 £'000	30 June 2018 £'000
Shareholder term loan	-	17,000
Shareholder loan notes	-	1,844
	-	18,844
Maturity of debt		
In one year or less	-	17,000
In more than one year, but not more than five years	-	1,844
	-	18,844

The shareholder term loan held in the prior year was payable to Privet Capital Special Situations 1LP. The shareholder term loan had a principal of £17,000,000 and incurred interest at 400 bps over Libor.

The shareholder loans notes held in the prior year were payable to Privet Capital Special Situations 1LP. The loan notes had a principal of £1,281,000 that attracted a 10% PIK interest (payment in kind) on the balance at the end of each calendar year and were payable on maturity on 31 December 2018.

On 9 November 2018, Vivid Topco Ltd was sold to GUK Holding Limited and the ultimate parent company became Goliath Holding B.V., a company incorporated in the Netherlands.

Immediately prior to this acquisition, the shareholder term loan and the shareholder loan notes held by Privet Capital Special Situations 1LP were assigned to Vivid Topco Ltd. The assigned principals on the shareholder term loan of £17,000,000 and loan notes of £1,281,000 were amended to be a simple intercompany debt, and accumulated interest payable was waived as detailed in note 6.

Vivid Toy Group Limited

Notes to the financial statements for the nine month period ended 31 March 2019 (continued)

13 Called up share capital

	2019 Number	2018 Number	31 March 2019 £'000	30 June 2018 £'000
Allotted and fully paid				
Ordinary shares of £0.01 each	472,159	472,159	5	5
"A" ordinary shares of £0.01 each	326,667	326,667	3	3
"C" ordinary shares of £0.01 each	1,294,682	1,294,682	13	13
	2,093,508	2,093,508	21	21

The "A" ordinary shares have the same voting rights and entitlement to share in any dividend distributions as ordinary shares.

The "C" ordinary shares have the same voting rights as ordinary shares, but carry no right to share in any dividend distributions.

14 Other commitments

As at 31 March 2019, the company did not have any financial commitments (30 June 2018: none).

15 Ultimate holding company

The company is a private company limited by shares and is incorporated in the United Kingdom. At the balance sheet date, a 100% shareholding of Vivid Toy Group Limited was held by Vivid Topco Ltd, the parent company. The ultimate controlling party of the group was Goliath Holding B.V..

Goliath International Holding B.V. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2019. The consolidated financial statements of Goliath International Holding B.V. are available from the registered office of the company at Vijzelpad 80, Hattem, 8051 KR Netherlands.

16 Non-adjusting post balance sheet event

The impact of the Covid-19 pandemic is likely to have a severe impact on the economy. To date however there has been relatively little impact on the company's main trading subsidiary's sales, which have remained on budget, the supply chain which has remained robust and consequently the company's subsidiary continues to be able to import the product it needs to meet demand.

The company has evaluated all other known events since 31 March 2019 through to the date the financial statements were issued and there were no other subsequent events that need disclosure.