

Vivid Toy Group Limited

**Annual Report and
Financial Statements
for the year ended 31 March 2023**

Registered Number 05812979



Vivid Toy Group Limited

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Vivid Toy Group Limited

Strategic report for the year ended 31 March 2023

The directors present their strategic report for the Vivid Toy Group Limited (hereafter referred to as the "company") for the year ended 31 March 2023.

Review of the business

Vivid Toy Group Limited operates as a non-trading intermediate parent company that incurs costs on behalf of its subsidiaries. The subsidiaries 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 14.

Results and position at 31 March 2023

The company's profit for the year was £nil (year ended 31 March 2022: profit £17, 832,000). At the year end, the company had net liabilities of £59,585,000 (31 March 2022: 59,585,000). £75,351,000 of the net liabilities relate to amounts owed to other group undertakings (31 March 2022: £75,731,000).

Dividends

The directors do not propose the payment of a dividend (31 March 2022: £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. The risks associated with the trading subsidiary, Vivid Imaginations Limited (the "trading subsidiary") can be found in their respective financial statements, available from Companies House.

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.

Section 172(1) Statement

The Board of Directors always consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company and the trading subsidiary for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1) (a) - (f) of the Companies Act 2006, in the decisions taken during the year ended 31 March 2022.

Our plan is designed to have a long-term beneficial impact on the group and to contribute to its success in delivering a high quality of service across all of our business divisions.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our team members is one of our primary considerations in the way we conduct our business. Engagement with suppliers and customers is also key to our success. We meet with our major customers and suppliers regularly and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

Our plan considers the impact of the Company and the operations of the trading subsidiary on the community and environment and our wider social responsibilities, and in particular how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local concerns.

Vivid Toy Group Limited

Strategic report for the year ended 31 March 2023 (continued)

Section 172(1) Statement (continued)

As the Board of Directors, our intention is to behave in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both construction and delivery of our plan that reflects our values, beliefs and culture.

As the Board of Directors, our intention is to behave responsibly towards all our enlightened shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

Future developments and post balance sheet events

Since the year end, the increase in interest rates and the continued cost of living crises make it a challenging economic environment in which to operate in. Management continues to take mitigating actions to limit the adverse financial and operational impact of these factors remain confident that the company will continue to trade successfully.

The Toys and Games sector has historically remained resilient to any economic downturn and looking forward the company is well placed to weather a possible recession. 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 which the company can access as required. There are strong controls in place for the recovery of trade debtors and management of working capital. As a result of this management are confident that the company will continue to operate as a going concern.

On behalf of the Board

J Golad

Director

Date:

20 December 2023



Vivid Toy Group Limited

Directors' report for the year ended 31 March 2023

The directors present their report and audited financial statements for the year ended 31 March 2023.

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 main subsidiary 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 intermediate parent company, Goliath International Holding B.V. The directors have received confirmation that Goliath International 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. See note 3(b) for additional information.

Post balance sheet events

There have no post balance sheet events for the company.

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 intermediate parent company, Goliath International Holding B.V.

Liquidity risk

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

Vivid Toy Group Limited

Directors' report for the year ended 31 March 2023 (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 the lender is a parent company.

The directors will revisit the appropriateness of this policy should the company's or the trading subsidiaries 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:

A Golad
J Golad

Vivid Toy Group Limited

Directors' report for the year ended 31 March 2023 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' 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 elected to prepare 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 for the company's financial statements 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 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.

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.

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.

Auditors

Following a rebranding exercise on 15 May 2023, the trading name of the company's independent auditor changes from MHA MacIntyre Hudson to MHA. MHA, under section 487(2) of the Companies Act 2006, will be deemed to be appointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing of the accounts with the registrar, whichever is earlier.

The report was approved by the Board and signed on its behalf by



J Golad
Director

Date:

20 December 2023

Vivid Toy Group Limited

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VIVID TOY GROUP LIMITED

Opinion

We have audited the financial statements of Vivid Toy Group Limited (the 'Company') for the year ended 31 March 2023, which comprise the profit and loss account and statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of the Company's breakeven position for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included considerations over the Company's business model and related risks, including where relevant the impact of the cost of living crisis and inflationary pressures and exposure to increasing interest rates, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the Directors' assessment of the Company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment and evaluated the Directors' plans for future actions in relation to their going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Vivid Toy Group Limited

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VIVID TOY GROUP LIMITED (Continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Vivid Toy Group Limited

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VIVID TOY GROUP LIMITED (Continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual, potential or suspected litigation, claims non-compliance with applicable laws and regulations and fraud;
- Enquiry of company staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work on the design and implementation of key controls around the recording of transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Jason Mitchell MBA BSc FCA (Senior statutory auditor)



for and on behalf of

MHA

Statutory Auditors

Maidenhead

Date: 21 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC 312313)

Vivid Toy Group Limited

Profit and loss account and statement of comprehensive income

	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Administration Expenses		-	(14)
Exceptional Items	4	-	17,847
Operating profit	5	-	17,883
Other finance income		-	-
Interest payable and similar expenses	7	-	(1)
Profit before taxation		-	17,832
Tax on profit	8	-	-
Profit for the financial year		-	17,832

There were no recognised gains or losses for 2023 and 2022 other than those included in the profit and loss account.

All amounts relate to continuing operations.

The notes on pages 12 to 18 are an integral part of these financial statements.

Vivid Toy Group Limited

Balance sheet as at 31 March 2023

	Note	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Fixed assets			
Investments	9	15,909	15,909
Creditors: amounts falling due within one year	10	(75,494)	(75,494)
Net current liabilities		(75,494)	(75,494)
Total assets less current liabilities		(59,585)	(59,585)
Net liabilities		(59,585)	(59,585)
Capital and reserves			
Called up share capital	11	21	21
Share premium account		40,412	40,412
Accumulated losses		(100,018)	(100,018)
Total shareholders' deficit		(59,585)	(59,585)

The notes on pages 12 to 18 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf by:



J Golad
Director
Date: 20 December 2023

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 31 March 2022	21	40,412	(117,850)	(77,417)
Profit and total comprehensive income for the year	-	-	17,832	17,832
Balance as at 31 March 2022	21	40,412	(100,018)	(59,585)
Profit and total comprehensive income for the year	-	-	-	-
Balance as at 31 March 2023	21	40,412	(100,018)	(59,585)

Vivid Toy Group Limited

Notes to the financial statements for the year ended 31 March 2023

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 and registered in England and Wales. 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.

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 and are rounded to the nearest thousand pounds.

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 continued cost of living crisis and higher inflation continues to be a concern, sales have remained resilient and consequently these macro-economic factors have so far only had a limited impact on the financial results of the company and those of the group of companies headed by the ultimate parent company, Goliath Holding B.V..

The directors have received confirmation that Goliath International Holding B.V., the company's intermediate parent, 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 International 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 year ended 31 March 2023 (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. The requirements of Section 7 Statement of Cash Flows;
- ii. The requirements of Section 3 Financial Presentation paragraph 3.17(d);
- iii. the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).
- iv. The requirements of Section 12 Other Financial instruments paragraphs 12.26 to 12.27 and 12.29(a), 12.29(b) and 12.29A.
- v. The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Goliath International Holding B.V. as at 31 March 2023 and these financial statements may be obtained from the address in note 14 or the Chamber of Commerce in the Netherlands.

(d) Exemption from preparing consolidated financial statements

The company is a wholly owned subsidiary of Goliath International Holding B.V. registered in the Netherlands 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 14. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 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 year ended 31 March 2023 (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

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Accruals are obligations to pay for goods or services but have not yet been paid for. These costs are recognised as a liability in the balance sheet as soon as the liability is incurred.

(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.

Vivid Toy Group Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

(i) Taxation (continued)

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.

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

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

(l) Other finance income/interest payable

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

4 Exceptional items

Exceptional income included in the comparative year ending 31 March 2022 of £17,847,025 was as a result of Vivid Topco Ltd, the company's former immediate parent company, releasing the company from its obligations in relation to a loan of £1,281,250 and £16,560,897 and an additional £4,878 being waived by Vivid Europe SAS, a wholly owned subsidiary of the company as part of a Group simplification process carried out during that financial year.

5 Operating profit

Operating profit is stated after charging:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Waiver of Loans with Vivid Topco Ltd and Vivid Europe SAS	-	17,847

Vivid Toy Group Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

5 Operating profit (continued)

In the prior year ended 31 March 2022 obligations relating to loans totalling £17,847,000 were waived by Vivid Topco Ltd as part of a Group simplification which is described further in note 4.

Auditors' remuneration in respect of the audit of the company's financial statements of £3,500 (2022: £5,000) was borne by a group undertaking, Vivid Imaginations Limited, and is excluded from the results of this company.

6 Staff costs

The company had no employees (year ended 31 March 2022: none) other than the directors.

The directors received no emoluments from the company (year ended 31 March 2022: £nil) though they are remunerated through other group companies.

7 Interest payable and similar expenses

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Bank interest payable	-	1

8 Tax on profit

(a) Analysis of charge in year

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
UK corporation tax at 19% (2022: 19%)		
Current	-	-
Tax on profit on ordinary activities	-	-

During the financial period, the tax assessed is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below.

(b) Factors affecting current tax charge for the period

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Profit before taxation	-	17,832
Profit on multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	-	3,388
Effects of:		
Transfer pricing adjustments	-	(697)
Non-taxable income	-	(3,391)
Change in tax rate	-	-
Deferred tax not provided	-	-
Group relief	-	700
Total charge for the year	-	-

Vivid Toy Group Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

8 Tax on profit (continued)

The company has unrecognised deferred tax assets of £nil (31 March 2022: an unrecognised deferred tax asset of £1,768,000) relating to tax losses.

(c) Factors that may affect future tax charges

An increase to the UK Corporation Tax main rate from 19% to 25% was announced in March 2021 (to be effective from 1 April 2023) for non-ring-fenced profits, the new charge applying to profits over £250,000. A small profits rate (SPR) is set to be introduced for Companies with profits of £50,000 or less to retain a corporation tax rate of 19%. Companies with profits between £50,000 and £250,000 are to be subject to tax at the main rate of 25% reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

9 Investments

	Investment in subsidiary undertakings £'000	Share options granted to subsidiary undertakings £'000	Total investment in subsidiary undertakings £'000
Cost			
At 31 March 2022	117,856	459	118,315
At 31 March 2023	117,856	459	118,315
Provision			
At 31 March 2022	(101,947)	(459)	(102,406)
At 31 March 2023	(101,947)	(459)	(102,406)
Net book amount			
At 31 March 2023	15,909	-	15,909
At 31 March 2022	15,909	-	15,909

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 Deutschland GmbH	c/o Argus, Max-Planck-Strauss20, 63303 Dreieich, Germany	Direct

The sole trading subsidiary is Vivid Imaginations Limited, the principal activity of which is toy sales and marketing. The remaining companies are non-trading.

10 Creditors: amounts falling due within one year

	31 March 2023 £'000	31 March 2022 £'000
Amounts owed to group undertakings	75,351	75,351
Other creditors	143	143
	75,494	75,494

Vivid Toy Group Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Creditors: amounts falling due within one year (continued)

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

11 Called up share capital

	2023 Number	2022 Number	31 March 2023 £'000	31 March 2022 £'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 dividend distributions.

13 Related party transactions

There were no related party transactions during the year that require disclosure due to the company being part of a wholly owned group (year ended 31 March 2022: £nil).

14 Ultimate controlling party

The company is a private company limited by shares and is incorporated in England and Wales. At the balance sheet date, the company was wholly owned by Goliath International Holding B.V., a company registered in the Netherlands.

Goliath International Holding B.V. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 March 2023. Goliath Holding B.V. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2023. The consolidated financial statements of Goliath International Holding B.V. and Goliath Holding B.V. are available from the registered office of the company at Vijzelpad 80, Hattem, 8051 KR Netherlands.

There is no individual ultimate controlling party.