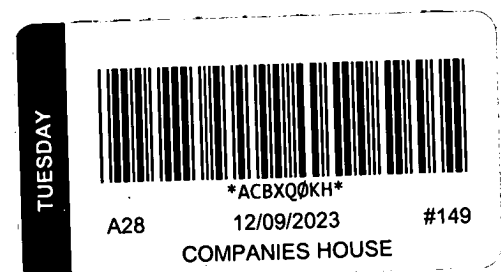


ADDO PLAY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 JANUARY 2023



ADDO PLAY LIMITED

COMPANY INFORMATION

Directors	Mr D P Grant Mr G P Grant Mr S J Grant Mr D A Martin Ms M F Price
Company secretary	D P Grant
Registered number	09438682
Registered office	Unit 7 Anglo Office Park White Lion Road Amersham Buckinghamshire HP7 9FB

ADDO PLAY LIMITED

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ADDO PLAY LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 28 JANUARY 2023

The directors present their report and the financial statements for the period ended 28 January 2023.

Introduction

Addo Play is a global company that designs, develops and supplies toys of quality and value. It has a portfolio of Addo and ELC brands, across over 1,100 products selling to a strong global customer base of retailers and distributors across 50 territories, including leading retailers in Canada, Australia, and in the UK.

Business review and future developments

Having planned for a global post pandemic recovery, the impact of both the Ukraine war and the cost-of-living crisis had a clear impact on customer demand, as well as the resulting inflationary pressures driving up costs within the business.

Despite these challenges the business achieved sales of £28.2m (2022 £26.1m), an increase of 8.0% year-on-year for the year ending 28 January 2023.

In addition to continuing to diversify the business through growing its international partnerships with leading retailers around the globe, the business has continued to invest in its range and expand with existing key international partners through new product introductions, existing range expansions and more licensed range support.

The business has prepared for another difficult year ahead as customers continue to be challenged by record levels of inflation. As a result of the last 3 years of unprecedented challenges, the business and its teams are now stronger and more resilient to the constantly changing retail landscape. The business remains cautious about the short-term outlook but remains in a strong position to overcome these challenges and prosper for the long term.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, exchange rate risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The key policies are set out below.

Exchange risk

The company is exposed to exchange risk through its operations. Exchange rate risk is managed at a group level and during the year the group has hedged part of this risk and continues to monitor ongoing currency movements to mitigate as much exchange risk as possible.

Credit risk

The company manages its credit risk effectively through its credit control function and credit policy, ensuring appropriate checks are carried out before any credit sales are made.

Liquidity risk

Liquidity risk is managed at group level. The group ensures an appropriate level of finance is available to the company, ensuring there are sufficient funds available for operations.

Interest rate risk

Interest rate risk is managed at group level. The group ensures that the interest rate risk on the Group debt finance is maintained through a mix of fixed and floating rates. The Directors continue to revisit the appropriateness of this arrangement, taking into account changes in economic conditions and trading levels.

ADDO PLAY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 JANUARY 2023**

Financial key performance indicators

The directors consider that the key financial performance indicators are as follows:

- Turnover has increased year on year by £2,099,487 to £28,209,150.
- Gross profit has increased by £1,646,343 to £6,309,447.
- The company had a cash balance at the period end of £86,041.

Other key performance indicators

The directors consider that the key non-financial performance indicators are as follows:

- The number of products has increased to 79 compared to last year.
- The number of employees has increased by 8 to 66.

This report was approved by the board and signed on its behalf.



Mr G P Grant
Director

Date: 31 August 2023

ADDO PLAY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 JANUARY 2023

The directors present their report and the financial statements for the period ended 28 January 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The profit for the period, after taxation, amounted to £911,277 (2022 - £249,040).

Directors

The directors who served during the period were:

Mr D P Grant
Mr G P Grant
Mr S J Grant
Mr D A Martin
Ms M F Price

Future developments

Details of the Company's future developments are included in the Strategic Report.

ADDO PLAY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 28 JANUARY 2023**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

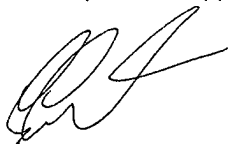
Going concern

The financial statements have been prepared on a going concern basis. In forming their conclusion, the directors have reviewed the cashflow forecast for the business for the period of at least 12 months from the date of approval of these financial statements. The Group requires periodic funding during the year and has banking facilities in place to meet the needs of the company. Having considered the extent to which future economic headwinds could influence the forecast, the Directors consider that the business has adequate resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr G P Grant
Director

Date: 31 August 2023

ADDO PLAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDO PLAY LIMITED

Opinion

We have audited the financial statements of Addo Play Limited (the 'Company') for the period ended 28 January 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 28 January 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

ADDO PLAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDO PLAY LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

ADDO PLAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDO PLAY LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included sample testing a sample of income across the year to agree to supporting documentation, and reviewing income received either side of the year end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

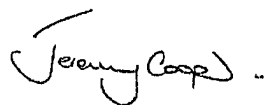
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

ADDO PLAY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDO PLAY LIMITED (CONTINUED)

Use of our report

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



Jeremy Cooper (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 31 August 2023

ADDO PLAY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 JANUARY 2023

	Note	2023 £	2022 £
Turnover	4	28,209,150	26,109,663
Cost of sales		(21,899,703)	(21,446,559)
Gross profit		6,309,447	4,663,104
Administrative expenses		(5,208,031)	(4,259,484)
Operating profit		1,101,416	403,620
Interest payable and similar expenses	7	(160,100)	(87,132)
Profit before tax		941,316	316,488
Tax on profit	8	(30,039)	(67,448)
Profit for the financial period		911,277	249,040

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

ADDO PLAY LIMITED
REGISTERED NUMBER: 09438682

BALANCE SHEET
AS AT 28 JANUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	448,380	545,249
		<u>448,380</u>	<u>545,249</u>
Current assets			
Stocks	10	177,244	1,271,183
Debtors: amounts falling due within one year	11	2,491,626	3,570,295
Cash at bank and in hand	12	86,041	72,871
		<u>2,754,911</u>	<u>4,914,349</u>
Creditors: amounts falling due within one year	13	(5,923,003)	(9,090,587)
Net current liabilities		<u>(3,168,092)</u>	<u>(4,176,238)</u>
Total assets less current liabilities		<u>(2,719,712)</u>	<u>(3,630,989)</u>
Net liabilities		<u>(2,719,712)</u>	<u>(3,630,989)</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		(2,719,812)	(3,631,089)
		<u>(2,719,712)</u>	<u>(3,630,989)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 August 2023.



Mr G P Grant
Director

The notes on pages 12 to 24 form part of these financial statements.

ADDO PLAY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 JANUARY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	100	(3,880,129)	(3,880,029)
Comprehensive income for the period			
Profit for the period	-	249,040	249,040
Total comprehensive income for the period	-	249,040	249,040
At 30 January 2022	100	(3,631,089)	(3,630,989)
Comprehensive income for the period			
Profit for the period	-	911,277	911,277
Total comprehensive income for the period	-	911,277	911,277
At 28 January 2023	100	(2,719,812)	(2,719,712)

The notes on pages 12 to 24 form part of these financial statements.

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JANUARY 2023

1. General information

Addo Play Limited is a private limited company (registered number 09438682) limited by shares, incorporated in England and Wales. Its registered office is Unit 7, Anglo Office Park, White Lion Road, Amersham, HP7 9FB.

The principal activity of the company in the period under review was that of specialised design activities.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- 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);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirement of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources (when applying this standard in accordance with paragraph 34.11 of FRS 102).

This information is included in the consolidated financial statements of TEAL Group Holdings Limited as at 28 January 2023 and these financial statements may be obtained from TEAL House, Anglo Office Park, 67 White Lion Road, Amersham, HP7 9FB.

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JANUARY 2023

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. In forming their conclusion, the directors have reviewed the cashflow forecast for the business for the period of at least 12 months from the date of approval of these financial statements. The Group requires periodic funding during the year and has banking facilities in place to meet the needs of the company. Having considered the extent to which future economic headwinds could influence the forecast, the Directors consider that the business has adequate resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023**

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JANUARY 2023

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line
Other fixed assets	-	10% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JANUARY 2023

2. Accounting policies (continued)

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.15 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, loans to related parties and investments in ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The directors consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

ADDO PLAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023**

4. Turnover

	2023 £	2022 £
Sale of goods	28,209,150	26,109,663
	28,209,150	26,109,663

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	15,508,130	18,373,950
Rest of Europe	2,585,396	272,721
Rest of the world	10,115,624	7,462,992
	28,209,150	26,109,663

5. Auditor's remuneration

During the period, the Company obtained the following services from the Company's auditor:

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	17,500	10,900

ADDO PLAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023**

6. Employees

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	3,157,372	2,587,229
Social security costs	432,361	320,804
Cost of defined contribution scheme	152,379	131,513
	<u>3,742,112</u>	<u>3,039,546</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2023	2022
	No.	No.
Average	<u>66</u>	<u>58</u>

7. Interest payable and similar expenses

	2023	2022
	£	£
Other loan interest payable	160,100	87,132
	<u>160,100</u>	<u>87,132</u>

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023

8. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	131,357	65,083
Adjustments in respect of previous periods	18,086	(2,111)
	<u>149,443</u>	<u>62,972</u>
Foreign tax		
Foreign tax on income for the year	-	4,476
	<u>-</u>	<u>4,476</u>
Total current tax	<u>149,443</u>	<u>67,448</u>
Deferred tax		
Origination and reversal of timing differences	(119,404)	-
Total deferred tax	<u>(119,404)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>30,039</u>	<u>67,448</u>

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023

8. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than *(2022 - higher than)* the standard rate of corporation tax in the UK of 19% *(2022 - 19%)*. The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	941,316	316,488
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	178,849	60,133
Effects of:		
Expenses not deductible for tax purposes	1,092	-
Capital allowances for period in excess of depreciation	4,570	2,553
Other permanent differences	-	1,157
Group relief surrendered/(claimed)	(101,997)	-
Adjustments to tax charge in respect of prior periods	10,224	(2,111)
Movement in deferred tax not recognised	-	16,466
Remeasurement of deferred tax for changes in tax rates	(62,699)	(10,750)
Total tax charge for the period	30,039	67,448

Factors that may affect future tax charges

The March 2021 Budget announced that the rate will increase from 19% to 25% from 1 April 2023 for companies with taxable profits in excess of £250,000. For those businesses that have taxable profits between £50,000 and £250,000 a margin rate relief scheme will be introduced to bridge the gap between the 19% rate and 25% rate providing a gradual increase in rate throughout this band.

ADDO PLAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023**

9. Tangible fixed assets

	Leasehold improve- ments £	Fixtures and fittings £	IT equipment £	Other fixed assets £	Total £
Cost or valuation					
At 29 January 2022	532,377	156,140	212,092	26,098	926,707
Additions	-	10,377	18,073	-	28,450
At 28 January 2023	532,377	166,517	230,165	26,098	955,157
Depreciation					
At 29 January 2022	135,688	87,504	149,289	8,977	381,458
Charge for the period on owned assets	53,512	30,420	38,778	2,609	125,319
At 28 January 2023	189,200	117,924	188,067	11,586	506,777
Net book value					
At 28 January 2023	343,177	48,593	42,098	14,512	448,380
At 29 January 2022	396,689	68,636	62,803	17,121	545,249

10. Stocks

	2023 £	2022 £
Finished goods and goods for resale	177,244	1,271,183
	177,244	1,271,183

ADDO PLAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023**

11. Debtors

	2023	2022
	£	£
Trade debtors	2,020,194	3,260,539
Other debtors	81,723	53,132
Prepayments and accrued income	252,393	256,624
Tax recoverable	17,912	-
Deferred taxation	119,404	-
	2,491,626	3,570,295

12. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	86,041	72,871
	86,041	72,871

13. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	52,904	4,669,386
Amounts owed to group undertakings	4,946,655	3,483,712
Corporation tax	58,948	60,993
Other taxation and social security	119,334	84,369
Other creditors	323,995	113,717
Accruals and deferred income	421,167	678,410
	5,923,003	9,090,587

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 JANUARY 2023

14. Deferred taxation

	2023 £
Credited to profit or loss	119,404
At end of year	119,404

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	21,451	-
Short term timing differences	97,953	-
	119,404	-

15. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares of £1.00 each	100	100

16. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £152,379 (2022 - £131,513). Contributions totalling £13,445 (2022 - £10,577) were payable to the fund at the balance sheet date and are included in creditors.

ADDO PLAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 JANUARY 2023

17. Commitments under operating leases

At 28 January 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	251,833	4,207
Later than 1 year and not later than 5 years	551,333	6,311
	<u>803,166</u>	<u>10,518</u>

18. Related party transactions

The company has taken advantage of the FRS 102 exemption not to disclose transactions with other members of the group, where the transactions involve an entity that is wholly owned by the group.

19. Ultimate parent undertaking

The immediate parent company of the company is TEAL Group Holdings Limited by virtue of its 100% shareholding, where TEAL Group Holdings Limited is incorporated in the UK, with registered office TEAL House, Anglo Office Park, 67 White Lion Road, Amersham, Bucks, England. The consolidated financial statements are publicly available.

Throughout the period, the ultimate controlling party is considered to be Mr G P Grant and Mrs C A Grant, by virtue of their majority shareholding in TEAL Group Holdings Limited.

Effective from 22 March 2023, TEAL Group Holdings Limited is owned by a number of shareholders and individually no shareholder is able to exert control. Therefore the directors are of the opinion that there is no ultimate controlling party.