

Company Registration Number 04602462 (England and Wales)

TOYNAMICS UK AND IRELAND LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

TOYNAMICS UK AND IRELAND LIMITED

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TOYNAMICS UK AND IRELAND LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	3	28,622	35,723
Current assets			
Stocks		2,830,306	2,858,367
Debtors	4	823,625	1,179,223
Cash at bank and in hand		116,125	459,882
		3,770,056	4,497,472
Creditors: amounts falling due within one year	5	(1,750,840)	(1,927,887)
Net current assets		2,019,216	2,569,585
Total assets less current liabilities		2,047,838	2,605,308
Creditors: amounts falling due after more than one year	6	(2,000,778)	(2,166,275)
Provisions for liabilities	7	-	(80,000)
Net assets		47,060	359,033
Capital and reserves			
Called up share capital	8	400,161	161
Share premium account	9	549,912	549,912
Other reserves	10	4,810,609	4,786,160
Profit and loss reserves	11	(5,713,622)	(4,977,200)
Total equity		47,060	359,033

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 March 2023 and are signed on its behalf by:

Mr DJ Allan
Director

Company Registration No. 04602462

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Toynamics UK and Ireland Limited is a private company limited by shares incorporated in England and Wales. The registered office is 21, The Point, Rockingham Road, Market Harborough, Leicestershire, England, LE16 7NU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

In the challenging global economic climate, the company has experienced a difficult trading year and the directors have taken steps to reduce its overheads and its working capital requirement. Throughout the year this requirement has been met through the support of its parent company, Hape Holdings AG and the directors of that company have provided written assurances that they will continue to provide the company with the necessary financial support for the foreseeable future.

As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, therefore, they have continued to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office equipment	15% on reducing balance
Fixtures and fittings	15% on reducing balance
Computer equipment	33% on cost and 15% on reducing balance

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is determined using first in first out method.

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	14	13

3 Tangible fixed assets

	Office equipment £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2022	147,751	8,990	30,468	187,209
Additions	-	-	6,964	6,964
At 31 December 2022	147,751	8,990	37,432	194,173
Depreciation and impairment				
At 1 January 2022	132,235	4,958	14,293	151,486
Depreciation charged in the year	2,328	601	11,136	14,065
At 31 December 2022	134,563	5,559	25,429	165,551
Carrying amount				
At 31 December 2022	13,188	3,431	12,003	28,622
At 31 December 2021	15,516	4,032	16,175	35,723

4 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	721,709	1,077,018
Amounts owed by group undertakings	16,388	42,030
Other debtors	85,528	60,175
	823,625	1,179,223

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	332,117	389,168
Amounts owed to group undertakings	1,231,593	1,401,254
Taxation and social security	65,671	35,828
Other creditors	119,505	99,887
Outstanding defined contribution pension costs	1,954	1,750
	<u>1,750,840</u>	<u>1,927,887</u>

6 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Amounts owed to group undertakings	<u>2,000,778</u>	<u>2,166,275</u>

During 2021 the company received further long-term finance from its parent company Hape Holding AG. There were five separate loans, which were intended to be repayable by instalments between 1 January 2022 and 31 December 2030 and which were denominated in Euros, US Dollars and Sterling. The loans constitute a financing arrangement because they are at a below market rate of interest of 0.25% per annum.

Such loans are measured at the present value of the future payments discounted at a market rate of interest for similar debt instruments. At inception, the discount of £298,411 was recognised as a capital contribution within Equity.

On 31 December 2022, as part of a refinancing package, the parent company converted a loan of £400,000 Sterling into additional share capital (see Note 9) and rescheduled the repayments of the remaining loans so that they are now due to be repaid by instalments between 1 January 2023 and 31 December 2032. This refinancing gave rise to a further capital contribution of £76,937 which is recognised within Equity.

As the discount unwinds it is charged against profit. An equivalent transfer is made annually between the Capital contribution reserve - Financing transactions and the Profit and loss reserves (see Note 11).

The discount that is due to unwind more than five years from the balance sheet date is £50,964.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>614,174</u>	<u>471,360</u>
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7 Provisions for liabilities

	2022	2021
	£	£
Provision for dilapidations	<u>-</u>	<u>80,000</u>

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Provisions for liabilities (Continued)

Movements on provisions:

	Provision for dilapidations £
At 1 January 2022	80,000
Additional provisions in the year	27,000
Utilisation of provision	(107,000)
At 31 December 2022	-

The company vacated its former leased warehouse premises in 2020 and, on the basis of professional advice, established and maintained a provision of £80,000 for dilapidation costs whilst negotiations with its former landlord were ongoing. These negotiations were concluded during 2022 and the dilapidation costs were settled in the sum of £107,000.

The additional provision of £27,000, represents an exceptional cost to the company which is included in Administrative expenses in the company's profit and loss account for the year.

8 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary of 1p each	4,012,787	12,787	400,128	128
Ordinary B of 1p each	3,330	3,330	33	33
	<u>4,016,117</u>	<u>16,117</u>	<u>400,161</u>	<u>161</u>

On 31 December 2022, the company allotted 40,000,000 new £0.01 Ordinary shares at par to its parent company, Hape Holdings AG, by way of capitalisation of a loan of £400,000 made to the company by its parent in 2021.

9 Share premium account

	2022 £	2021 £
At the beginning and end of the year	<u>549,912</u>	<u>549,912</u>

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Other reserves

	Capital contribution reserve £	Capital contribution reserve Financing transactions £	Total £
At the beginning of the prior year	4,544,959	-	4,544,959
Additions	-	298,411	298,411
Other movements	-	(57,210)	(57,210)
At the end of the prior year	4,544,959	241,201	4,786,160
Additions	-	76,937	76,937
Transfer to profit and loss reserve	-	(75,204)	(75,204)
Foreign exchange differences	-	22,716	22,716
At the end of the current year	4,544,959	265,650	4,810,609

The transfer of £75,204 (2021: £45,375) from the Capital contribution reserve - Financing transactions to the Profit and loss reserves represents the amount charged to the profit and loss account in respect of the unwinding of discount on the long-term loans from the company's parent company, Hape Holding AG. (see Note 7).

11 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	(4,977,200)	(5,076,780)
(Loss)/profit for the year	(811,626)	54,205
Transfer from Capital contribution reserve - Financing transactions	75,204	45,375
At the end of the year	(5,713,622)	(4,977,200)

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:

Adrian Bentley BSc ACA

Statutory Auditor:

Edward Thomas Peirson & Sons

13 Financial commitments, guarantees and contingent liabilities

The aggregate amount of financial commitments, guarantees and contingent liabilities at 31 December 2022 was £81,459 (2021: £63,198). This amount relates to future minimum lease payments under non-cancellable operating leases.

TOYNAMICS UK AND IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the parent company and wholly owned subsidiaries within the group.

15 Parent company

The parent undertaking of the smallest group in which these financial statements are consolidated is Hape Holding AG, which is incorporated in Switzerland. The Registered Office Address of Hape Holding AG is Rotzbergstrasse 30, 6362, Stansstad, Switzerland.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.