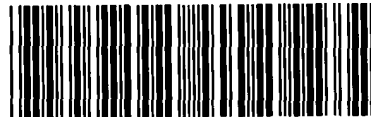


Registration number: 00282792

ICANDY WORLD LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

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ICANDY WORLD LIMITED

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ICANDY WORLD LIMITED

COMPANY INFORMATION

Directors	B M Appel W A Appel N Appel D S Appel
Registered office	Montgomery Way Biggleswade SG18 8UB
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

ICANDY WORLD LIMITED

STRATEGIC REPORT FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

The directors present their strategic report for the period from 1 April 2016 to 30 September 2017.

Fair review of the business

The company continues to sell its products mainly through independent retailers of children's products. The current year has seen a continued increase in its major retail chain and global exposure in accordance with the board's strategic plan.

There has been a like for like increase in the company's turnover of 5.9% from £18.3m to £19.3m (pro rata), though operating profit has suffered a decrease on the prior period.

The company's key financial and other performance indicators during the period were as follows:

	Unit	2017	2016
Turnover (pro rated for 12 months)	£'000	19,348	18,277
Gross margin	%	47	52
Gross assets	£'000	12,521	12,076
Net assets	£'000	7,562	7,542

Key performance indicators

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve development, performance and the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators beyond those set out above to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Future developments

The company is continuing to invest in design and innovation to ensure all of its products remain desirable and maintain a high level of quality. There also continues to be considerable investment in marketing and promotional activities. The board expects continued growth in the forthcoming year.

Financial instruments

The company uses financial instruments as part of its financial risk management. Although not considered a significant risk, the nature of its financial instruments means that they are subject to normal trading risk and liquidity risk.

Principal risks and uncertainties

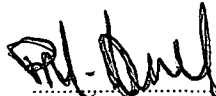
Credit risk - The company offers credit to certain of its customers. Before credit terms are agreed, an assessment of the customer's credit rating is undertaken. Credit limits are set accordingly.

Price risk - The company is subject to price risk and foreign exchange rate risk as purchases are made in US Dollars and Chinese Yuan Renminbi.

Liquidity risk - The company minimises liquidity risk through careful management of payables, cash and receivables.

Cash flow risk - Cash flows are carefully managed and the company continues to trade within facilities. Operating cash flows remained strong and are expected to continue in this manner.

Approved by the Board on ²⁶⁻⁶⁻¹⁸..... and signed on its behalf by:



B M Appel
Director

ICANDY WORLD LIMITED

DIRECTORS' REPORT FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

The directors present their report and the financial statements for the period from 1 April 2016 to 30 September 2017.

Directors of the company

The directors who held office during the period were as follows:

B M Appel

W A Appel

N Appel

D S Appel

Going concern

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' the directors of all companies are now required to provide disclosures regarding the going concern basis of accounting. The group has considerable financial resources available and continues to generate cash from operating activities. The directors have prepared forecasts for the next 12 months that indicate that this trend will continue. The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on ^{26.6.18} and signed on its behalf by:



B M Appel
Director

ICANDY WORLD LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

ICANDY WORLD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICANDY WORLD LIMITED

Opinion

We have audited the financial statements of iCandy World Limited (the 'company') for the period from 1 April 2016 to 30 September 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 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 UK, including the FRC'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

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report in this regard.

ICANDY WORLD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICANDY WORLD LIMITED

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 4, 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.

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.

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.


.....
David Main (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 28 June 2018.

ICANDY WORLD LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

	Note	1 April 2016 to 30 September 2017 £	Year ended 31 March 2016 £
Turnover	3	29,022,324	18,276,609
Cost of sales		<u>(15,300,088)</u>	<u>(8,852,482)</u>
Gross profit		13,722,236	9,424,127
Administrative expenses - normal		(12,284,639)	(7,169,113)
Administrative expenses - exceptional		<u>-</u>	<u>181,000</u>
Operating profit	4	<u>1,437,597</u>	<u>2,436,014</u>
Other interest receivable and similar income		2,591	2
Interest payable and similar charges		<u>(64,277)</u>	<u>(60,477)</u>
		<u>(61,686)</u>	<u>(60,475)</u>
Profit before tax		1,375,911	2,375,539
Taxation	9	<u>(123,350)</u>	<u>(477,469)</u>
Profit for the financial period		<u><u>1,252,561</u></u>	<u><u>1,898,070</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the period.

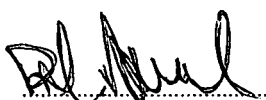
The notes on pages 11 to 22 form an integral part of these financial statements.

ICANDY WORLD LIMITED

**(REGISTRATION NUMBER: 00282792)
BALANCE SHEET AS AT 30 SEPTEMBER 2017**

	Note	30 September 2017 £	(As restated) 31 March 2016 £
Fixed assets			
Tangible assets	10	3,480,753	3,183,719
Investments	11	<u>120,517</u>	<u>120,517</u>
		<u>3,601,270</u>	<u>3,304,236</u>
Current assets			
Stocks	12	4,453,270	3,273,379
Debtors	13	3,024,632	4,211,211
Cash at bank and in hand		<u>1,441,498</u>	<u>1,287,573</u>
		8,919,400	8,772,163
Creditors: Amounts falling due within one year	14	<u>(4,655,313)</u>	<u>(4,156,846)</u>
Net current assets		<u>4,264,087</u>	<u>4,615,317</u>
Total assets less current liabilities		7,865,357	7,919,553
Creditors: Amounts falling due after more than one year	14	(303,455)	(365,404)
Provisions for liabilities		-	<u>(12,333)</u>
Net assets		<u>7,561,902</u>	<u>7,541,816</u>
Capital and reserves			
Called up share capital	16	2,105	2,105
Capital redemption reserve		895	895
Retained earnings		<u>7,558,902</u>	<u>7,538,816</u>
Total equity		<u>7,561,902</u>	<u>7,541,816</u>

Approved and authorised by the Board on 26.6.18 and signed on its behalf by:



B M Appel
Director

The notes on pages 11 to 22 form an integral part of these financial statements.

ICANDY WORLD LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 April 2015	2,105	895	5,640,746	5,643,746
Profit for the period	-	-	1,898,070	1,898,070
At 31 March 2016	<u>2,105</u>	<u>895</u>	<u>7,538,816</u>	<u>7,541,816</u>
	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 April 2016	2,105	895	7,538,816	7,541,816
Profit for the period	-	-	1,252,561	1,252,561
Dividends	-	-	(1,232,475)	(1,232,475)
At 30 September 2017	<u>2,105</u>	<u>895</u>	<u>7,558,902</u>	<u>7,561,902</u>

The notes on pages 11 to 22 form an integral part of these financial statements.

ICANDY WORLD LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

	Note	1 April 2016 to 30 September 2017 £	Year ended 31 March 2016 £
Cash flows from operating activities			
Profit for the period		1,252,561	1,898,070
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	1,288,112	641,661
Finance income		(2,591)	(2)
Finance costs		64,277	60,477
Corporation tax expense	9	123,350	477,469
		<u>2,725,709</u>	<u>3,077,675</u>
Working capital adjustments			
(Increase)/decrease in inventories	12	(1,179,891)	1,211,777
Decrease/(increase) in trade and other receivables	13	1,289,558	(2,479,324)
(Decrease)/increase in trade and other payables	14	(201,617)	1,797,033
Cash generated from operations		2,633,759	3,607,161
Income taxes paid		(317,591)	(626,351)
Net cash flow from operating activities		<u>2,316,168</u>	<u>2,980,810</u>
Cash flows from investing activities			
Interest received		2,591	2
Acquisitions of property plant and equipment		(1,585,146)	(1,166,826)
Net cash flows from investing activities		<u>(1,582,555)</u>	<u>(1,166,824)</u>
Cash flows from financing activities			
Interest paid		(64,277)	(60,477)
Repayment of bank borrowing		(60,525)	(38,238)
Advance (repayment) of other borrowing		777,589	(982,861)
Dividends paid		(1,232,475)	-
Net cash flows from financing activities		<u>(579,688)</u>	<u>(1,081,576)</u>
Net increase in cash and cash equivalents		153,925	732,410
Cash and cash equivalents at 1 April		1,287,573	555,163
Cash and cash equivalents at 30 September		<u>1,441,498</u>	<u>1,287,573</u>

The notes on pages 11 to 22 form an integral part of these financial statements.

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:
Montgomery Way
Biggleswade
SG18 8UB

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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 years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Judgements and estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal actual results. There are not considered to be any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

These financial statements do not contain any significant judgements or estimation uncertainty.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when: The amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	2% of cost per annum
Plant and machinery	25% of cost per annum
Fixtures and fittings	25% - 50% of cost per annum
Motor vehicles	25% of cost per annum

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium sized group. Although the Companies Act 2006 requires medium sized groups to prepare consolidated accounts, the company has not prepared them on the basis that the results and the net assets of the subsidiary undertaking are not material to the group.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method.

At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared by the shareholders in general meetings.

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

Financial instruments (continued)

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	2017	2016
	£	£
Sale of goods	<u>29,022,324</u>	<u>18,276,609</u>

The analysis of the company's revenue for the period by geographical location is as follows:

	1 April 2016 to 30 September 2017	Year ended 31 March 2016
	£	£
United Kingdom	21,794,498	14,990,095
Europe	3,206,139	1,408,453
Australia	3,398,227	1,487,587
Asia	505,790	273,019
Rest of World	117,670	117,455
	<u>29,022,324</u>	<u>18,276,609</u>

4 Operating profit

Arrived at after charging/(crediting):

	1 April 2016 to 30 September 2017	Year ended 31 March 2016
	£	£
Depreciation expense	1,288,112	641,661
Foreign exchange (gains)/losses	(695)	57,487
Operating lease expense - property	<u>16,222</u>	<u>70,847</u>

5 Exceptional items

	1 April 2016 to 30 September 2017	Year ended 31 March 2016
	£	£
Exceptional credit to administration expenses	<u>-</u>	<u>(181,000)</u>

The exceptional credit to administration expenses in 2016 relates to the reversal of provisions made for possible foreign payroll costs that the Directors believe is no longer required.

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	1 April 2016 to 30 September 2017	Year ended 31 March 2016
	£	£
Wages and salaries	3,369,976	2,602,321
Social security costs	599,406	315,465
Pension costs, defined contribution scheme	15,059	13,607
	<u>3,984,441</u>	<u>2,931,393</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	1 April 2016 to 30 September 2017	Year ended 31 March 2016
	No.	No.
Administration and support	<u>62</u>	<u>58</u>

7 Directors' remuneration

The directors' remuneration for the period was as follows:

	2017	2016
	£	£
Remuneration	675,871	575,212
Contributions paid to money purchase schemes	390	146
	<u>676,261</u>	<u>575,358</u>

During the period the number of directors who were receiving benefits was as follows:

	2017	2016
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2017	2016
	£	£
Remuneration	<u>285,562</u>	<u>268,750</u>

8 Auditors' remuneration

	2017	2016
	£	£
Audit of the financial statements	<u>33,250</u>	<u>16,000</u>
Other fees to auditors		
All other non-audit services	<u>36,381</u>	<u>10,455</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

9 Taxation

Tax charged/(credited) in the profit and loss account

	1 April 2016 to 30 September 2017 £	Year ended 31 March 2016 £
Current taxation		
UK corporation tax	362,341	461,372
UK corporation tax adjustment to prior periods	<u>(211,012)</u>	<u>-</u>
	<u>151,329</u>	<u>461,372</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(58,334)	16,097
Deferred tax adjustment to prior periods	<u>30,355</u>	<u>-</u>
Total deferred taxation	<u>(27,979)</u>	<u>16,097</u>
Tax expense in the income statement	<u><u>123,350</u></u>	<u><u>477,469</u></u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.6% (2016 - 20%).

The differences are reconciled below:

	1 April 2016 to 30 September 2017 £	Year ended 31 March 2016 £
Profit before tax	<u>1,375,911</u>	<u>2,375,539</u>
Corporation tax at standard rate	269,679	475,108
Decrease from effect of different UK tax rates on some earnings	(2,368)	(2,841)
Effect of expense not deductible in determining taxable profit (tax loss)	24,940	1,078
Tax increase from effect of depreciation ineligible for capital allowances	11,756	7,997
Tax increase (decrease) from effect of adjustment in research and development tax credit	(160,322)	-
UK corporation tax adjustment to prior period	(50,690)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	(3,873)
Deferred tax adjustment in relation to prior periods	<u>30,355</u>	<u>-</u>
Total tax charge	<u><u>123,350</u></u>	<u><u>477,469</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

Deferred tax

Deferred tax assets and liabilities

	Asset £
2017	
Difference between accumulated depreciated and amortisation and capital allowances	51,290
Capital gains rolled over	(36,000)
Other timing differences	366
	<u>15,656</u>
	Liability £
2016	
Difference between accumulated depreciated and amortisation and capital allowances	7,054
Capital gains rolled over	36,000
Other timing differences	(30,721)
	<u>12,333</u>

10 Tangible assets

	Freehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation				
At 1 April 2016	1,999,294	2,096,775	2,399,658	6,495,727
Additions	-	956,125	629,021	1,585,146
At 30 September 2017	<u>1,999,294</u>	<u>3,052,900</u>	<u>3,028,679</u>	<u>8,080,873</u>
Depreciation				
At 1 April 2016	239,096	1,270,729	1,802,183	3,312,008
Charge for the year	59,979	795,674	432,459	1,288,112
At 30 September 2017	<u>299,075</u>	<u>2,066,403</u>	<u>2,234,642</u>	<u>4,600,120</u>
Carrying amount				
At 30 September 2017	<u>1,700,219</u>	<u>986,497</u>	<u>794,037</u>	<u>3,480,753</u>
At 31 March 2016	<u>1,760,198</u>	<u>826,046</u>	<u>597,475</u>	<u>3,183,719</u>

Included within the net book value of land and buildings above is £1,700,219 (2016 - £1,760,198) in respect of freehold land and buildings.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

11 Investments in subsidiaries, joint ventures and associates

	(As restated)	
	2017	2016
	£	£
Investments in subsidiaries	<u>120,517</u>	<u>120,517</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Dongguan iCandy Children's Products Co., Limited	China	Ordinary	100%	100%

Its financial period end is 31 December.

The loss for the financial period of Dongguan iCandy Children's Products Co., Limited was £16,467 and the aggregate amount of capital and reserves at the end of the period was £168,415.

12 Stocks

	30 September 2017	31 March 2016
	£	£
Goods for resale	<u>4,453,270</u>	<u>3,273,379</u>

13 Debtors

		30 September 2017	31 March 2016
	Note	£	£
Trade debtors		2,614,685	3,743,909
Prepayments		306,968	467,302
Deferred tax assets	9	15,646	-
Corporation tax asset	9	<u>87,333</u>	<u>-</u>
Total current trade and other debtors		<u>3,024,632</u>	<u>4,211,211</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

14 Creditors

	Note	30 September 2017 £	(As restated) 31 March 2016 £
Due within one year			
Loans and borrowings	15	1,317,364	538,351
Trade creditors		2,286,089	2,403,455
Social security and other taxes		335,870	538,974
Outstanding defined contribution pension costs		3,342	2,152
Other payables		47,615	-
Accrued expenses		665,033	594,985
Corporation tax liability		-	78,929
		<u>4,655,313</u>	<u>4,156,846</u>
Due after one year			
Loans and borrowings	15	<u>303,455</u>	<u>365,404</u>

15 Loans and borrowings

	2017 £	(As restated) 2016 £
Current loans and borrowings		
Bank borrowings	40,626	39,202
Other borrowings	1,276,738	499,149
	<u>1,317,364</u>	<u>538,351</u>
Non-current loans and borrowings		
Bank borrowings	<u>303,455</u>	<u>365,404</u>

Bank borrowings

The bank loan is denominated in Sterling with a nominal interest rate of 1.88% above the Bank of England base rate, and the final instalment is due on 10 June 2025. The carrying amount at period end is £344,081 (2016 - £404,606).

The bank loan is secured by a fixed and floating charge over all assets on the company. The bank loan is repayable by monthly installments.

Other borrowings

Directors current accounts with a carrying amount of £1,276,738 (2016 - £499,149) are denominated in £ Sterling with a nominal interest rate of 5%.

There are no formal requirements in place to repay these loans.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2017

Included in the loans and borrowings are the following amounts due after more than five years:

	30 September 2017	31 March 2016
	£	£
After more than five years by instalments	<u>85,185</u>	<u>198,932</u>

16 Share capital

Allotted, called up and fully paid shares

	30 September 2017		31 March 2016	
	No.	£	No.	£
Ordinary 'A' shares of £1 each	701	701	701	701
Ordinary 'B' shares of £1 each	1,034	1,034	1,034	1,034
Ordinary 'C' shares of £1 each	70	70	70	70
Ordinary 'D' shares of £1 each	300	300	300	300
	<u>2,105</u>	<u>2,105</u>	<u>2,105</u>	<u>2,105</u>

All shares in issue rank pari passu in all respects except that each class has separate dividend rights.

17 Pension and other schemes

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £15,059 (2016 - £13,607):

Contributions totalling £3,342 (2016 - £2,152) were payable to the scheme at the end of the period and are included in creditors.

18 Obligations under operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	15,743	68,864
Later than one year and not later than five years	-	32,667
	<u>15,743</u>	<u>101,531</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £16,222 (2016 - £70,847).

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30
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19 Related party transactions

At 30 September 2017 the company owed B and D Appel £486,220 (2016 - £156,591) and W and N Appel £790,519 (2016 - £342,559). Interest of £19,862 (2016 - £27,109) and £34,020 (2016 - £23,190) respectively has been accrued on these loans. During the year the company credited dividends of £408,499 (2016 - £nil) each to the directors' accounts of B Appel and W Appel and dividends of £177,000 (2016 - £nil) each to directors loan accounts of D Appel and N Appel.

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 7 to the financial statements.