

**Simba Smoby Toys (UK) Limited**  
**Company Registration Number 06974009**  
**Annual Report and Financial Statements**  
**Year ended 30 April 2017**



Simba Smoby Toys (UK) Limited  
Annual Report and Financial Statements  
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Simba Smoby Toys (UK) Limited  
Annual Report and Financial Statements  
Company Information

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Directors	A Belford R A Belford M Duschl U Weiler
Registered office	Broomfield House Bolling Road Bradford West Yorkshire BD4 7BG
Company number	06974009
Statutory auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds West Yorkshire LS1 2JT
Bankers	HSBC Bank plc 7 Prospect Crescent Harrogate North Yorkshire HG1 1RN

The directors present their strategic report for the year ended 30 April 2017.

#### Principal activity

The principal activity of the company is that of a wholesaler and distributor of children's toys.

#### Fair review of the business

The directors consider that the company has had a successful year in terms of increasing market share and sales growth and consider the level of turnover and gross profit to be in line with expectations.

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

	Unit	2017	2016
Increase in turnover	%	6	6
Gross margin	%	14	16
Profit before tax	£	339,373	531,774

The fall in margin and profit before tax has been as a direct result of foreign currency losses in the year due to the decrease in the value of sterling following the EU referendum.

#### Principal risks and uncertainties

##### Business risks

The toy market has been relatively immune to the effect of recession, whilst other sectors have struggled with demand the toy market has shown growth year on year. Product development is controlled by the parent company and so there is an element of exposure to products that might not be suitable to the UK market.

Staff levels are small and there is a reliance on key members of staff. The risks are mitigated by the involvement of the group's management.

##### Financial instruments

##### Objectives and policies

The company uses various financial instruments, which include, cash and other items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the company to a number of financial risks. These are in the main liquidity risk, currency risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised as follows:

##### Liquidity risk

The company's business generates strong cash flows which are retained in cash balances in the business to the full extent necessary to meet its anticipated working capital requirements and to settle debts as they fall due.

##### Currency risk

The company purchases products primarily from overseas suppliers and is thereby exposed to significant risk in relation to foreign currency rate fluctuations. The company mitigates its exposure to foreign exchange risk in part by hedging. Forward currency have been taken up to cover purchases to the end of the calendar year.

The company does not trade speculatively in derivatives or similar instruments.

##### Credit risk

The company's trade debtors relate to amounts owed mainly by UK Corporates. Given the size and stability of the core debtors, the directors do not believe that credit risk to the company is significant. However, the directors monitor any default credit risk on an ongoing basis.

#### Future developments

In the opinion of the directors the company is in a positive position to expand further in the forthcoming year. The company is aiming for continued growth in market share of its product range. The company has strategies in place to meet growth targets, including the introduction of new products.

Approved by the Board on 06.10.17 and signed on its behalf by:

  
A Belford  
Director

The directors present their annual report and the audited financial statements for the year ended 30 April 2017.

#### Directors of the company

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

A Belford  
R A Belford  
M Duschl  
U Weiler

#### Dividends

Dividends of £230,711 (2016: £790,969) were paid on the ordinary shares during the year.

The directors do not propose the payment of a final dividend.

#### Going concern

The financial statements have been prepared on a going concern basis. In the opinion of the directors, the company has sufficient financial resources to trade at its forecast level of business activity for the foreseeable future. The company's exposure to business and financial risks are described in the strategic report on pages 2 and 3.


#### Important non adjusting events after the financial period

On 3 July 2017 and 5 August 2017, separate incidents of fires have occurred at the company's business premises that have resulted in material damage to the freehold property and loss and destruction of stocks. The company has recovered under its insurance policy compensation in relation to stock losses and expects that the proceeds of the admitted claims in relation to the property will cover the cost of the essential works. The company has continued to trade with some disruption but without serious interruption to its business operations.

#### Disclosure of information to the auditors

So far as the directors are aware, there is no information relevant to the audit of which the company's auditors are unaware. The directors have taken the necessary steps to ensure that they themselves are aware of all relevant audit information and made sure that the company's auditors are also aware of that information.

Approved by the Board on ~~06.10.17~~ and signed on its behalf by:

  
A. Belford  
Director

The directors are responsible for preparing the Annual 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; 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.

We have audited the financial statements of Simba Smoby Toys (UK) Limited for the year ended 30 April 2017, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of 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.



Denis Cross (Senior Statutory Auditor)  
For and on behalf of Brown Butler,  
Chartered Accountants and Statutory Auditor  
Leigh House  
28-32 St Paul's Street  
Leeds  
West Yorkshire  
LS1 2JT

6 October 2017

Simba Smoby Toys (UK) Limited  
Annual Report and Financial Statements  
Profit and Loss Account for the year ended 30 April 2017

	Note	2017 £	2016 £
Turnover	3	15,449,560	14,509,282
Cost of sales		<u>(13,337,874)</u>	<u>(12,215,768)</u>
Gross profit		2,111,686	2,293,514
Administrative expenses		(1,869,336)	(1,776,525)
Other operating income	4	<u>58,993</u>	<u>55,484</u>
Operating profit	5	301,343	572,473
Income from shares in group undertaking		75,000	55,628
Interest receivable and similar income	6	2,552	2,099
Amounts written off investments		(25,253)	(76,610)
Interest payable and similar expenses	7	<u>(14,269)</u>	<u>(21,816)</u>
Profit on ordinary activities before taxation		339,373	531,774
Tax on profit	10	<u>(42,360)</u>	<u>(127,000)</u>
Profit for the financial year		297,013	404,774
Profit and loss account brought forward		1,883,495	2,269,690
Dividends paid		<u>(230,711)</u>	<u>(790,969)</u>
Profit and loss account carried forward		<u>1,949,797</u>	<u>1,883,495</u>

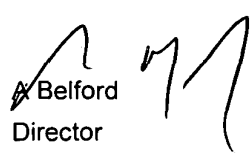
The above results were derived from continuing operations.

There is no other comprehensive income or other change in equity during the above periods.

Simba Smoby Toys (UK) Limited  
 Annual Report and Financial Statements  
 Company Registration Number 06974009  
 Balance Sheet as at 30 April 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible fixed assets	11	1,521,284	1,551,562
Investments	12	<u>7,034</u>	<u>32,287</u>
		1,528,318	1,583,849
<b>Current assets</b>			
Stocks	13	2,516,121	1,040,109
Debtors	14	2,859,209	2,168,104
Cash at bank and in hand		<u>416,550</u>	<u>1,127,571</u>
		5,791,880	4,335,784
Creditors: Amounts falling due within one year	16	<u>(4,963,382)</u>	<u>(3,402,288)</u>
Net current assets		<u>828,498</u>	<u>933,496</u>
Total assets less current liabilities		2,356,816	2,517,345
Creditors: Amounts falling due after more than one year	16	<u>(406,919)</u>	<u>(633,750)</u>
Net assets		<u>1,949,897</u>	<u>1,883,595</u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Profit and loss account	19	<u>1,949,797</u>	<u>1,883,495</u>
		<u>1,949,897</u>	<u>1,883,595</u>

These financial statements were approved and authorised for issue by the Board on 06.10.17 and signed on its behalf by:

  
 A Belford  
 Director

Simba Smoby Toys (UK) Limited  
Annual Report and Financial Statements  
Statement of Cash Flows for the year ended 30 April 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Profit for the year		297,013	404,774
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	30,278	31,016
Financial instrument net losses/(gains) through profit and loss		328,841	(136,678)
Interest received	6	(2,552)	(2,099)
Dividends received		(75,000)	(55,628)
Interest paid	7	14,269	21,816
Amounts written off investments		25,253	76,610
Taxation	10	42,360	127,000
		<u>660,462</u>	<u>466,811</u>
<b>Working capital adjustments</b>			
(Increase)/decrease in stocks	13	(1,476,012)	703,852
(Increase)/decrease in trade and other debtors	14	(719,511)	384,363
Increase in trade and other creditors	16	1,318,950	166,225
		<u>660,462</u>	<u>466,811</u>
<b>Cash (absorbed by)/generated from operations</b>			
		(216,111)	1,721,251
Taxation paid		<u>(105,363)</u>	<u>(230,342)</u>
<b>Net cash flow from operating activities</b>		<b>(321,474)</b>	<b>1,490,909</b>
<b>Cash flows from investing activities</b>			
Interest received	6	2,552	2,099
Acquisitions of tangible fixed assets	11	-	(10,497)
Dividend income	6	<u>75,000</u>	<u>55,628</u>
<b>Net cash flows from investing activities</b>		<b>77,552</b>	<b>47,230</b>
<b>Cash flows from financing activities</b>			
Interest paid	7	(14,269)	(21,816)
Repayment of bank borrowing		(222,119)	(216,448)
Dividends paid		<u>(230,711)</u>	<u>(790,969)</u>
<b>Net cash flows from financing activities</b>		<b>(467,099)</b>	<b>(1,029,233)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(711,021)</b>	<b>508,906</b>
Cash and cash equivalents at 1 May 2016		<u>1,127,571</u>	<u>618,665</u>
<b>Cash and cash equivalents at 30 April 2017</b>		<b><u>416,550</u></b>	<b><u>1,127,571</u></b>

## 1 General information

Simba Smoby Toys (UK) Limited is a private company limited by shares and incorporated in England under company number 06974009.

The address of its registered office and principal place of business is:  
Broomfield House  
Bolling Road  
Bradford  
West Yorkshire  
BD4 7BG

## 2 Summary of significant accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value. The presentation currency is £ sterling.

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

### Group accounts not prepared

The financial statements present information about the company as an individual undertaking and not about its group. The directors are of the opinion that the results and assets and liabilities of the subsidiary undertaking, Woolbro Limited, are not material in the context of the group's business.

### Going concern

After reviewing the company's forecasts, 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.

### Key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions may not equal the related actual results. The directors are of the opinion that there are no areas of estimation uncertainty and critical judgements that affect materially the accounting policies and the reported amounts of assets, liabilities, income and expenses in the current and previous year.

### Turnover

Turnover represents amounts chargeable in respect of the sale of goods to customers and sales commissions receivable, net of value added tax.

Turnover in relation to the sale of goods to customers is recognised when the significant risks and rewards of ownership of the goods have transferred to the customer. This is usually at the point that the customer has taken delivery of the goods. Turnover in relation to commissions receivable is recognised when the right to receive such commissions has been established and the amount of revenue can be measured reliably.

### Other operating income

Other operating income comprising rents receivable is recognised on a straight line basis over the period of the lease agreement.

#### Foreign currency

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### 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 or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Provision is made for deferred tax, where material, that is expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases.

#### Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved and declared by the directors.

#### Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

#### Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives. The annual rates and methods of depreciation are as follows:-

Asset class	Depreciation method and rate
Freehold buildings	2% straight line basis
Furniture, fittings and equipment	20%-25% straight line basis
Motor vehicles	20% straight line basis
Freehold land	No depreciation charged

#### Impairment of fixed assets

At the balance sheet date, if there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the profit and loss account. The reversal of an impairment loss is recognised immediately in the profit and loss account.

#### Investments

The investment in the company's subsidiary is accounted for at cost less provision for permanent impairment.

#### Stocks

Stock are stated at the lower of average cost and estimated selling price less costs to sell using the first in first out method.

The cost of finished goods comprises direct purchase price and, where applicable, an appropriate proportion of freight charges.

#### Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 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.

#### Creditors

Trade and other short term creditors are measured at transaction price. Financial liabilities which are basic financial instruments, including bank loans, are measured initially at the present value of cash payable to settle the liabilities (including interest) and are subsequently measured at amortised cost using the effective interest method.

#### Leases

Rentals payable under operating lease rentals are charged in the profit and loss account on a straight line basis over the term of the lease.

#### Derivative financial instruments

The company uses foreign company options to hedge its exposure to foreign currency exposure risks. The company does not enter into speculative transactions. Such foreign company options are measure at fair value at the reporting date by reference to current forward foreign exchange rates for contracts with similar maturity profiles and equates to the market price at the balance sheet date. Gains or losses on re-measurement to fair value are recognised in 'Administrative expenses' in profit or loss.

### 3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2017 £	2016 £
Sale of goods	15,002,813	14,159,074
Commissions receivable	<u>446,747</u>	<u>350,208</u>
	<u>15,449,560</u>	<u>14,509,282</u>

### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2017 £	2016 £
Rent receivable	<u>58,993</u>	<u>55,484</u>

### 5 Operating profit

Operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	30,278	31,016
Foreign exchange (gains)/losses	(119,689)	81,287
Change in fair value of derivative financial instruments	328,841	(136,678)
Auditor's remuneration	<u>7,500</u>	<u>7,500</u>

### 6 Interest receivable and similar income

	2017 £	2016 £
Bank interest receivable	730	2,099
Other interest	<u>1,822</u>	<u>-</u>
	<u>2,552</u>	<u>2,099</u>

7 Interest payable and similar charges

	2017 £	2016 £
Bank interest	14,461	20,650
Other interest	<u>(192)</u>	<u>1,166</u>
	<u>14,269</u>	<u>21,816</u>

8 Staff costs

Employee costs, including directors, during the year:

	2017 £	2016 £
Wages and salaries	634,705	583,898
Social security costs	<u>61,183</u>	<u>58,084</u>
	<u>695,888</u>	<u>641,982</u>

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

	2017 No.	2016 No.
Administration	11	11
Sales, marketing and distribution	<u>3</u>	<u>3</u>
	<u>14</u>	<u>14</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Salaries	<u>205,600</u>	<u>193,267</u>



10 Tax on profit on ordinary activities

	2017 £	2016 £
Current taxation		
UK corporation tax	97,854	127,763
UK corporation tax adjustment to prior periods	<u>(13,703)</u>	<u>(763)</u>
	84,151	127,000
Deferred taxation		
Origination and reversal of timing differences	<u>(41,791)</u>	<u>-</u>
Tax on profit	<u><u>42,360</u></u>	<u><u>127,000</u></u>

The tax charge for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.92% (2016: 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>339,373</u>	<u>531,774</u>
Corporation tax at standard rate	67,592	106,355
Expenses not deductible for tax purposes	11,732	23,143
UK deferred tax credit relating to changes in tax rates	2,023	-
Decrease in current tax from adjustment for prior periods	(13,703)	(763)
Origination and reversal of timing differences	(10,345)	1,519
Tax decrease from effect of dividends from UK companies	(14,939)	(11,126)
Other tax effects for reconciliation between accounting profit and taxable profit	<u>-</u>	<u>7,872</u>
Total tax charge	<u><u>42,360</u></u>	<u><u>127,000</u></u>

11 Tangible fixed assets

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 May 2016 and 30 April 2017	<u>1,572,475</u>	<u>33,321</u>	<u>3,500</u>	<u>1,609,296</u>
Depreciation				
At 1 May 2016	37,739	16,495	3,500	57,734
Charge for the year	<u>25,160</u>	<u>5,118</u>	<u>-</u>	<u>30,278</u>
At 30 April 2017	<u>62,899</u>	<u>21,613</u>	<u>3,500</u>	<u>88,012</u>
Net book value				
At 30 April 2016	<u>1,534,736</u>	<u>16,826</u>	<u>-</u>	<u>1,551,562</u>
At 30 April 2017	<u>1,509,576</u>	<u>11,708</u>	<u>-</u>	<u>1,521,284</u>

Tangible fixed assets with a net book value of £1,509,576 (2016: £1,534,736) are pledged as security for the company's bank borrowings.

## 12 Investments

	2017 £	2016 £
Shares in subsidiary undertaking	<u>7,034</u>	<u>32,287</u>
		£
Cost		
At 1 May 2016 and 30 April 2017		<u>1,963,718</u>
Charge for year		
At 1 May 2016		1,931,431
Provision		<u>25,253</u>
At 30 April 2017		<u>1,956,684</u>
Carrying amount		
At 30 April 2017		<u>7,034</u>
At 30 April 2016		<u>32,287</u>

### Details of undertaking

In the opinion of the directors, the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

Subsidiary undertaking	Description of holding	Proportion of holding	Principal activity
Woolbro Limited	Ordinary	100%	sales agency

The profit for the financial period of Woolbro Limited was £49,647 (2016: £32,127) and the aggregate amount of capital and reserves at the end of the period was £7,034 (2016: £32,287).

## 13 Stocks

	2017 £	2016 £
Goods for resale	<u>2,516,121</u>	<u>1,040,109</u>

The cost of stock recognised as an expense in the year amounted to £12,619,800 (2016 - £11,323,028).

### Impairment of stock

The amount of impairment loss included in profit or loss is £227,000 (2016 - £(2,000)). The impairment loss/(reversal) is included in cost of sales.

14 Debtors

	2017 £	2016 £
Trade debtors	2,653,936	1,922,607
Amounts owed from group undertakings	32,163	39,543
Other debtors	1,352	72,267
Deferred tax asset	41,791	-
Prepayments	<u>129,967</u>	<u>133,687</u>
	<u>2,859,209</u>	<u>2,168,104</u>

An impairment loss of £92,025 (2016: £205,126) has been recognised against trade debtors.

Deferred tax asset

	£
As at 1 May 2016	-
Movement	41,791
As at 30 April 2017	<u>41,791</u>

Analysis of deferred tax is as follows:

	£
As at 30 April 2017	41,791
Deferred tax on impairment of stock	<u>41,791</u>

15 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	740	220
Cash at bank	136,816	100,712
Short-term deposits	<u>278,994</u>	<u>1,026,639</u>
	<u>416,550</u>	<u>1,127,571</u>

16 Creditors:

Amounts falling due within one year

	2017 £	2016 £
Trade creditors	719,907	329,922
Loans	226,192	221,480
Amounts owed to group undertakings	3,409,205	2,374,608
Social security and other taxes	33,667	329,319
Other creditors	259,443	100
Accruals	263,417	74,096
Corporation tax	<u>51,551</u>	<u>72,763</u>
	<u>4,963,382</u>	<u>3,402,288</u>

Creditors: Amounts falling due after one year

Loans	<u>406,919</u>	<u>633,750</u>
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17 Loans

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	<u>406,919</u>	<u>633,750</u>
	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	<u>226,192</u>	<u>221,480</u>

The bank borrowings are denominated in sterling with a nominal interest rate of BoE base rate + 1.7%. The final instalment is due on 30 November 2019. The carrying amount at year end is £633,111 (2016 - £855,230).

The loan is secured on the company's freehold land and buildings.

18 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

19 Capital and reserves

Called-up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

20 Related party transactions

	2017 £	2016 £
Dividends paid to directors	69,213	237,291
Dividends paid to parent undertaking	161,498	553,678
Revenues from group companies	444,648	343,863
Purchases from group companies	11,519,111	7,723,042
Amounts owed by group undertakings	32,163	39,543
Amounts owed to group undertakings	<u>3,409,205</u>	<u>2,374,608</u>

## 21 Leasing commitments

### Operating leases

The total of future minimum operating lease payments is as follows:

	2017 £	2016 £
Within one year	3,422	3,849
Between one and five years	-	3,208
After five years	-	214
	<u>3,422</u>	<u>7,271</u>

### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	17,667	53,000
Later than one year and not later than five years	-	17,667
	<u>17,667</u>	<u>70,667</u>

Operating lease income relates to the rent of part only of the freehold land and buildings to a third party.

## 22 Financial instruments

### Categorisation of financial instruments

	2017 £	2016 £
Financial assets measured at fair value through profit or loss	-	70,197
Financial assets that are debt instruments measured at amortised cost	3,145,792	3,091,791
Financial assets that are equity instruments measured at cost less impairment	7,034	32,287
	<u>3,152,826</u>	<u>3,194,275</u>
Financial liabilities measured at fair value through profit or loss	(258,644)	-
Financial liabilities measured at amortised cost	(4,796,689)	(3,889,179)
	<u>(5,055,333)</u>	<u>(3,889,179)</u>

### Financial liabilities measured at fair value

#### Foreign currency options

The fair value of the options has been determined by reference to forward rates prevailing at the balance sheet date. The fair value of the options at the balance sheet date is £258,644 (2016 - financial asset £70,197) and the change in value included in profit or loss is £328,841 (2016 - £(136,678)).

#### 23 Controlling party

The parent undertakings of the largest and the smallest group of undertakings for which group accounts are drawn up and of which the company is a member are Simba-Dickie Group GmbH and Simba Toys GmbH & Co. KG respectively.

The company's immediate parent undertaking is Simba Toys GmbH & Co. KG, incorporated in Germany.

The ultimate parent undertaking is Simba-Dickie Group GmbH, incorporated in Germany.

The financial statements of these groups are available upon request from Simba-Dickie Group, Werkstrasse 1, 90765 Furth, Germany.

#### 24 Non adjusting events after the financial period

On 3 July 2017 and 5 August 2017, separate incidents of fires have occurred at the company's business premises that have resulted in material damage to the freehold property and loss and destruction of stocks. The company has recovered under its insurance policy compensation of £2.58 million in relation to stock losses and expects that the proceeds of the admitted claims in relation to the property will cover the cost of the essential works. The company has continued to trade with some disruption but without serious interruption to its business operations.