

Ozbozz Limited

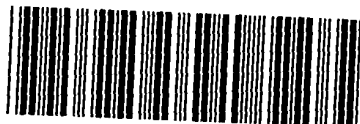
Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 09631127

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Ozbozz Limited

Company Information

Directors Martin Alan Grossman
Mark Edward Colley
Glyn Loveday
David Jonathan Mordecai

Registered number 09631127

Registered office Yare House
62-64 Thorpe Road
Norwich
Norfolk
United Kingdom
NR1 1RY

Independent auditor BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Ozbozz Limited

Contents

	Page
Group strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated statement of changes in equity	12 - 13
Company statement of changes in equity	14
Consolidated statement of cash flows	15 - 16
Notes to the financial statements	17 - 37

Ozbozz Limited

Group Strategic Report For the Year Ended 31 December 2017

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2017.

Business review

The group distributes a range of toys and children's sports items within the UK and Europe to major retailers, mail order and internet companies, and to the wholesale trade.

The group has always been at the forefront of toy innovation and is always looking for the latest toy trends. The group's large and diverse customer base allows it to capitalise on these trends as they arise.

The group achieved a good level of turnover and profitability for the year to 31 December 2017, despite challenging trading conditions.

The directors are concentrating on the group's core activities and forecast continued growth.

Principal risks and uncertainties

The principal risks and uncertainties affecting Ozbozz Limited are reviewed by the directors and appropriate processes are put in place to monitor and mitigate them.

The key risk for the group derives from its supply chain. A significant amount of purchases are from outside the UK and are transacted in foreign currencies. The movement in exchange rates could therefore have an impact on gross margins.

To mitigate exchange rate fluctuations the group enters into exchange rate forwards as the directors determine necessary. In order to comply with all relevant legislation in the UK and abroad the group engages qualified, professional experts to assist with this ever changing landscape. The group maintains close relationships with all of its customers and suppliers in order to ensure any changes in cost base or pricing strategy are communicated early.

Financial key performance indicators

The directors consider the most relevant key performance indicators to be the level of turnover and operating profit achieved by the group.

The key financial highlights for the year are as follows:

	2017	2016
Turnover	£14,931,278	£9,664,678
Operating profit/(loss)	£1,417,943	£(377,434)

Ozbozz Limited

Group Strategic Report (continued) For the Year Ended 31 December 2017

Future developments

The directors are concentrating on the group's core performance and they forecast the growth in turnover and operating profit to continue. 2018 will see the group selling to wider markets and strengthening the product range.

This report was approved by the board on *26 September 2018* and signed on its behalf.



Glyn Loveday
Director

Ozbozz Limited

Directors' Report For the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year, after taxation, amounted to £1,116,341 (2016 - loss £343,265).

Director

The directors who served during the year were:

Martin Alan Grossman
Mark Edward Colley (appointed 3 April 2018)
Glyn Loveday (appointed 3 April 2018)
David Jonathan Mordecai (appointed 3 April 2018)

Financial instruments

The group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital through retained earnings and through borrowings.

The group has therefore minimised its exposure to the price risk of financial instruments by only purchasing forward currencies for known purchasing requirements. Its cash flow risk in respect of forward currency purchases is also minimal as it aims to pay suppliers in accordance with their stated terms, matching the maturity of the currency purchases.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

Going concern

The directors have considered the period of at least 12 months from sign off and therefore have prepared the financial statements on the going concern basis. Further information is included in note 2.2 to these financial statements.

Disabled employees

The group gives full and fair consideration to the employment of disabled persons, having regard to their particular aptitudes and abilities. Where possible the company ensures that the training and career development of any disabled person is identical to that of a colleague who does not suffer from such a disability.

Disclosure of information to auditor

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

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

Post balance sheet events

On 3 April 2018, 100% of the share capital of Ozbozz Limited was sold to Tobar International Limited. As part of this transaction, Loan notes A and B were re-assigned to the new parent company, Tobar International Limited.

Ozbozz Limited

Directors' Report (continued) For the Year Ended 31 December 2017

Auditor

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

This report was approved by the board on 26 September 2018 and signed on its behalf.



Glyn Loveday
Director

Ozbozz Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2017

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 group and company financial statements in accordance with applicable law and United Kingdom Generally Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they present a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company or group will continue in business.

The director is 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ozbozz Limited

Independent Auditor's Report to the Shareholders of Ozbozz Limited

Opinion

We have audited the financial statements of Ozbozz Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes In Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's 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.

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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group's or the parent 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.

Ozbozz Limited

Independent Auditor's Report to the Shareholders of Ozbozz Limited (continued)

Other information

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

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.

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 group 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 group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

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

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

Ozbozz Limited

Independent Auditor's Report to the Shareholders of Ozbozz Limited (continued)

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

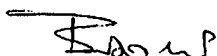
Auditor's responsibilities for the audit of the financial statements

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.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Rae (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Glasgow
United Kingdom

27 SEPTEMBER 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ozbozz Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	14,931,278	9,664,678
Cost of sales		(10,670,342)	(6,989,717)
Gross profit		4,260,936	2,674,961
Administrative expenses		(2,955,553)	(3,255,858)
Other operating income	5	112,560	203,463
Operating profit/(loss)	6	1,417,943	(377,434)
Interest receivable and similar income	8	-	16
Interest payable and similar charges	9	(55,953)	(49,966)
Profit/(loss) before taxation		1,361,990	(427,384)
Tax on profit/(loss)	10	(245,649)	84,119
Profit/(loss) for the financial year		1,116,341	(343,265)
Foreign exchange difference on retranslation of subsidiary undertakings		(112,544)	156,769
Other comprehensive (loss)/income for the year		(112,544)	156,769
Total comprehensive income/(loss) for the year		1,003,797	(186,496)
Profit/(loss) for the year attributable to:			
Owners of the parent company		1,116,341	(343,265)
		1,116,341	(343,265)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent company		1,003,797	(186,496)
		1,003,797	(186,496)

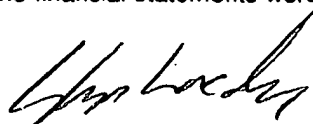
The notes on pages 17 to 37 form part of these financial statements.

Ozbozz Limited
Registered number: 09631127

Consolidated Balance Sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	68,538	88,206
		<u>68,538</u>	<u>88,206</u>
Current assets			
Stocks	14	3,289,980	3,199,429
Debtors: amounts falling due within one year	15	2,237,052	1,964,732
Cash at bank and in hand	16	1,593,192	1,238,743
		<u>7,120,224</u>	<u>6,402,904</u>
Creditors: amounts falling due within one year	17	(4,937,985)	(4,681,686)
Net current assets		<u>2,182,239</u>	<u>1,721,218</u>
Total assets less current liabilities		<u>2,250,777</u>	<u>1,809,424</u>
Creditors: amounts falling due after more than one year	18	(1,222,760)	(1,785,204)
Net assets		<u><u>1,028,017</u></u>	<u><u>24,220</u></u>
Capital and reserves			
Called up share capital	22	100,000	100,000
Foreign exchange reserve		93,144	205,688
Capital contribution reserve		264,710	305,513
Profit and loss account		570,163	(586,981)
		<u><u>1,028,017</u></u>	<u><u>24,220</u></u>

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



26 September 2018

Glyn Loveday
Director

The notes on pages 17 to 37 form part of these financial statements.

Ozbozz Limited
Registered number: 09631127

Company Balance Sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	13	4,500,000	4,500,000
		<u>4,500,000</u>	<u>4,500,000</u>
Current assets			
Debtors: amounts falling due within one year	15	21,607	-
		<u>21,607</u>	<u>-</u>
Creditors: amounts falling due within one year	17	(2,613,648)	(2,064,719)
		<u>(2,592,041)</u>	<u>(2,064,719)</u>
Net current liabilities		(2,592,041)	(2,064,719)
Total assets less current liabilities		1,907,959	2,435,281
Creditors: amounts falling due after more than one year	18	(1,222,760)	(1,785,204)
		<u>(1,222,760)</u>	<u>(1,785,204)</u>
Net assets		685,199	650,077
Capital and reserves			
Called up share capital	22	100,000	100,000
Other reserves		264,710	305,513
Profit and loss account		320,489	244,564
		<u>685,199</u>	<u>650,077</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £35,122 (2016 - £448,125).

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



26 September 2018

Glyn Loveday
Director

The notes on pages 17 to 37 form part of these financial statements.

Ozbozz Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Foreign exchange reserve	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	100,000	205,688	305,513	(586,981)	24,220
Comprehensive income for the year					
Profit for the year	-	-	-	1,116,341	1,116,341
Foreign exchange difference on retranslation of subsidiary undertakings	-	(112,544)	-	-	(112,544)
Total comprehensive income for the year	-	(112,544)	-	1,116,341	1,003,797
Transfer between reserves	-	-	(40,803)	40,803	-
Total transactions with owners	-	-	(40,803)	40,803	-
At 31 December 2017	100,000	93,144	264,710	570,163	1,028,017

The notes on pages 17 to 37 form part of these financial statements.

Ozbozz Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Foreign exchange reserve	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2016	100,000	48,919	348,405	(286,608)	210,716
Comprehensive loss for the year					
Loss for the year	-	-	-	(343,265)	(343,265)
Foreign exchange difference on retranslation of subsidiary undertakings	-	156,769	-	-	156,769
Total comprehensive loss for the year	-	156,769	-	(343,265)	(186,496)
Transfer between reserves	-	-	(42,892)	42,892	-
Total transactions with owners	-	-	(42,892)	42,892	-
At 31 December 2016	100,000	205,688	305,513	(586,981)	24,220

The notes on pages 17 to 37 form part of these financial statements.

Ozbozz Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	100,000	305,513	244,564	650,077
Comprehensive income for the year				
Profit for the year	-	-	35,122	35,122
Total comprehensive income for the year	-	-	35,122	35,122
Transfer between reserves	-	(40,803)	40,803	-
Total transactions with owners	-	(40,803)	40,803	-
At 31 December 2017	100,000	264,710	320,489	685,199

The notes on pages 17 to 37 form part of these financial statements.

Company Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	100,000	348,405	(246,453)	201,952
Comprehensive income for the year				
Profit for the year	-	-	448,125	448,125
Total comprehensive income for the year	-	-	448,125	448,125
Transfer between reserves	-	(42,892)	42,892	-
Total transactions with owners	-	(42,892)	42,892	-
At 31 December 2016	100,000	305,513	244,564	650,077

The notes on pages 17 to 37 form part of these financial statements.

Ozbozz Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit/(loss) for the financial year	1,116,341	(343,265)
Adjustments for:		
Depreciation of tangible assets	28,674	49,025
Loss on disposal of tangible assets	4,256	7,993
Interest paid	55,953	49,966
Interest received	-	(16)
Taxation charge	245,649	(79,105)
Increase in stocks	(90,551)	(539,486)
Increase in debtors	(331,890)	(36,865)
Increase in creditors	519,828	1,114,217
Corporation tax paid	(80,168)	(528,464)
Foreign exchange	(112,544)	156,769
Net cash generated from operating activities	1,355,548	(149,231)
Cash flows from investing activities		
Purchase of tangible fixed assets	(13,260)	(45,346)
Sale of tangible fixed assets	-	9,550
Interest received	-	16
Net cash from investing activities	(13,260)	(35,780)

Ozbozz Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2017

	2017 £	2016 £
Cash flows from financing activities		
Other new loans	-	500,000
Repayment of other loans	-	(353,507)
Interest paid	(15,150)	(2,606)
Net cash used in financing activities	<u>(15,150)</u>	<u>143,887</u>
Net increase/(decrease) in cash and cash equivalents	1,327,138	(41,124)
Cash and cash equivalents at beginning of year	266,054	307,178
Cash and cash equivalents at the end of year	<u>1,593,192</u>	<u>266,054</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,593,192	1,238,743
Bank overdrafts	-	(972,689)
	<u>1,593,192</u>	<u>266,054</u>

The notes on pages 17 to 37 form part of these financial statements.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. General information

Ozbozz Limited is a private company incorporated in England & Wales, UK, limited by shares. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activities are set out in the group strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

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

The presentation currency is GBP. The figures in these financial statements have been rounded to the nearest pound.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company; and
- No statement of comprehensive income has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

2.2 Going concern

The company has net current liabilities of £2,592,041 (2016 - £2,064,719). On 3 April 2018, Ozbozz Limited and its subsidiaries were sold to Tobar International Limited for £2.6 million in consideration for the issued loan notes A and B. As a result Ozbozz Limited owe Tobar International Limited £2.6m. Tobar International Limited has undertaken not to seek repayment of the loans owed to them until such time as the Ozbozz group and company have sufficient cash reserves to do so, without detrimentally impacting the business. Accordingly, the directors' are satisfied that it is appropriate to prepare the financial statements on the going concern basis.

2.3 Basis of consolidation

The consolidated financial statements present the results of the parent company and its subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

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

Sale of goods

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

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

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.6 Operating leases: the group as lessor

Rental income from operating leases is credited to the consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

2.7 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

2.8 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2.9 Pensions

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from those of the group in independently administered funds.

2.10 Current and deferred taxation

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

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

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

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

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

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.11 Intangible assets - goodwill

Negative goodwill represents the excess of the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition over the cost of a business combination. Negative goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Negative goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

2.12 Tangible fixed assets

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following basis:

Freehold property	-	2% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	15% - 25% Reducing balance
Office equipment	-	20% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.13 Other operating income

Other operating income represents rental income earned by a subsidiary company in the year and other income relating to advertising and testing fees recognised in the year to which they relate.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.15 Stocks

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to complete and sell.

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

2.16 Debtors

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

2.17 Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts and equivalent arrangements that are repayable on demand and form an integral part of the group's cash management, namely the invoice discounting facility.

2.18 Creditors

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

2.19 Provisions for liabilities

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

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the directors' estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.20 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.20 Financial instruments (continued)

receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and estimated recoverable value, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

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

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

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

In preparing these financial statements the directors have made the following judgements:

Intangible fixed assets (see note 11)

Negative goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Tangible fixed assets (see note 12)

Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investments (see note 13)

Unlisted investments are carried at cost less accumulated impairment. Impairment is considered in line with accounting standards. During the year the directors carried out an impairment review. The factors taken into consideration in concluding the review and quantifying the impairment included the economic viability and expected future financial performance of the investment. A discounted cash flow was prepared covering a fifteen year period and using a discount factor of 18%. The directors believe this discount factor is appropriate relative to the company's weighted average cost of capital after adjusting for various factors including the size of the company, the volatility of cash flows and the market conditions. Assumptions were also made regarding forecast sales, costs and working capital requirements over a fifteen year period with the terminal value applied to arrive at an estimated recoverable value in excess of the £4.5m carrying value of the investment. Should the actual results over this period be significantly different or the actual weighted average cost of capital differ from that used in the model, a different recoverable amount would arise. This will be revisited and updated as required to ensure assumptions and the resulting impairment continue to be relevant.

Stock (see note 14)

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stock is assessed for impairment. In assessing impairment, factors such as the condition of the stock, demand for the stock and obsolescence are taken into account.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sale of goods	14,931,278	9,664,678
	<u>14,931,278</u>	<u>9,664,678</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	13,168,975	5,962,041
Rest of the world	1,762,303	3,702,637
	<u>14,931,278</u>	<u>9,664,678</u>

5. Other operating income

	2017 £	2016 £
Advertising income	-	64,878
Rents receivable	45,735	98,424
Sundry income	12,617	-
Testing income	54,208	40,161
	<u>112,560</u>	<u>203,463</u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

6. Operating profit/ (loss)

The operating profit/ (loss) is stated after charging:

	2017 £	2016 £
Rent of buildings - operating leases	327,954	342,584
Depreciation of tangible fixed assets	28,674	49,025
Stock recognised as an expense	9,346,652	6,471,809
Fees payable to the group's auditor for the audit of the group's annual financial statements	22,000	20,000
Fees payable to the group's auditor in respect of other services	5,450	4,050
Defined contribution pension cost	11,054	43,204
Exchange differences	112,544	(156,769)
Loss on disposal of tangible fixed assets	4,256	7,993

The company incurred an audit fee of £1,250 (2016 - £1,000).

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	1,024,806	1,033,124	-	-
Social security costs	74,919	77,369	-	-
Cost of defined contribution scheme	11,054	43,204	-	-
	<u>1,110,779</u>	<u>1,153,697</u>	<u>-</u>	<u>-</u>

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

	2017 No.	2016 No.
Management	6	9
Distribution	21	19
Administration	16	18
	<u>43</u>	<u>46</u>

The company has no employees other than the directors, who did not receive any remuneration (2016 - £Nil).

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

8. Interest receivable and similar income

	2017 £	2016 £
Other interest receivable	-	16
	<u>-</u>	<u>16</u>

9. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	7,749	7,074
Other loan interest payable	48,204	42,892
	<u>55,953</u>	<u>49,966</u>

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profit/ (loss) for the year	102,255	(27,441)
Adjustments in respect of previous periods	(5,571)	-
	<u>96,684</u>	<u>(27,441)</u>
Foreign tax		
Foreign tax on income for the year	67,788	35,146
	<u>67,788</u>	<u>35,146</u>
Total current tax	<u>164,472</u>	<u>7,705</u>
Deferred tax		
Origination and reversal of timing differences	81,177	(91,824)
Total deferred tax	<u>81,177</u>	<u>(91,824)</u>
Taxation on profit/(loss) on ordinary activities	<u>245,649</u>	<u>(84,119)</u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	1,361,990	(427,384)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	262,183	(85,477)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,867	53,510
Capital allowances for year in excess of depreciation	-	6,400
Lower rate taxes on overseas earnings	(11,691)	(3,151)
Adjustments to tax charge in respect of prior periods	(5,571)	-
Non-taxable income	-	(40,000)
Utilisation of tax losses	(81,612)	-
Losses arising in the year	-	84,226
Other differences leading to a decrease in the tax charge	(4,704)	(7,803)
Deferred tax recognised in the year	81,177	(91,824)
Total tax charge for the year	245,649	(84,119)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

11. Intangible assets

Group and Company

	Negative goodwill £
Cost	
At 1 January 2017	(292,210)
At 31 December 2017	<u>(292,210)</u>
Amortisation	
At 1 January 2017	(292,210)
At 31 December 2017	<u>(292,210)</u>
Net book value	
At 31 December 2017	<u><u>-</u></u>
At 31 December 2016	<u><u>-</u></u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

12. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 January 2017	7,512	51,545	84,246	6,754	150,057
Additions	-	10,999	1,637	624	13,260
Disposals	-	(10,999)	-	-	(10,999)
At 31 December 2017	7,512	51,545	85,883	7,378	152,318
Depreciation					
At 1 January 2017	2,275	9,575	47,392	2,609	61,851
Charge for the year	1,451	11,950	13,778	1,495	28,674
Disposals	-	(6,745)	-	-	(6,745)
At 31 December 2017	3,726	14,780	61,170	4,104	83,780
Net book value					
At 31 December 2017	3,786	36,765	24,713	3,274	68,538
At 31 December 2016	5,237	41,970	36,854	4,145	88,206

The company has no tangible fixed assets.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

13. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity - country of incorporation
H Grossman Trading Limited (1)	Ordinary	100 %	Holding company - Scotland
H Grossman Limited (1)	Ordinary	100 %	Purchase and sale of toys - Scotland
H Grossman (H.K.) Limited (2)	Ordinary	100 %	Purchase and sale of toys - Hong Kong

(1) The registered office is Ashton Road, Quay Industrial Estate, Rutherglen, Glasgow, Scotland.

(2) The registered office is Room 1105, 11th Floor, Tower 2, South Seas Centre, 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit £
H Grossman Trading Limited	4,500,000	-
H Grossman Limited	3,490,414	805,911
H Grossman (H.K.) Limited	1,352,561	356,851
	<u>9,342,975</u>	<u>1,162,762</u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

13. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	4,500,000
At 31 December 2017	4,500,000
Net book value	
At 31 December 2017	4,500,000
At 31 December 2016	4,500,000

14. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Finished goods and goods for resale	3,289,980	3,199,429	-	-
	<u>3,289,980</u>	<u>3,199,429</u>	<u>-</u>	<u>-</u>

15. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	1,975,740	1,610,181	-	-
Other debtors	-	28,644	-	-
Prepayments and accrued income	239,270	244,295	-	-
Tax recoverable	21,607	-	21,607	-
Deferred taxation (note 21)	435	81,612	-	-
	<u>2,237,052</u>	<u>1,964,732</u>	<u>21,607</u>	<u>-</u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

16. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	1,593,192	1,238,743	-	-
Less: invoice financing and bank overdraft	-	(972,689)	-	-
	<u>1,593,192</u>	<u>266,054</u>	<u>-</u>	<u>-</u>

17. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Invoice financing and bank overdraft	-	972,689	-	-
Other loans	1,773,859	1,170,612	1,273,859	670,612
Trade creditors	2,620,891	2,027,579	-	-
Amounts owed to group undertakings	-	-	1,339,789	1,388,256
Corporation tax	118,575	13,099	-	5,851
Other taxation and social security	110,108	19,811	-	-
Accruals and deferred income	314,552	477,896	-	-
	<u>4,937,985</u>	<u>4,681,686</u>	<u>2,613,648</u>	<u>2,064,719</u>

Royal Bank of Scotland Invoice Financing Limited hold a floating charge over the assets and debtors book of H Grossman Limited in relation to the invoice discounting facility and bank overdraft used by H Grossman Limited. The debtors book of H Grossman Limited at the year end was £1,593,921 (2016 - £1,344,936). The balance of the invoice discounting facility at the year end was £Nil (2016 - £299,844) and the balance of the bank overdraft at the year end was £Nil (2016 - £672,845). Both are included in the bank overdraft above. The bank overdraft is also secured over the assets of H Grossman Limited by a bond and floating charge.

18. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Other loans	1,222,760	1,785,204	1,222,760	1,785,204
	<u>1,222,760</u>	<u>1,785,204</u>	<u>1,222,760</u>	<u>1,785,204</u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

19. Loans

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due within one year				
Other loans	1,773,859	1,170,612	1,273,859	670,612
	<u>1,773,859</u>	<u>1,170,612</u>	<u>1,273,859</u>	<u>670,612</u>
Amounts falling due 1-2 years				
Other loans	500,728	545,574	500,728	545,574
	<u>500,728</u>	<u>545,574</u>	<u>500,728</u>	<u>545,574</u>
Amounts falling due 2-5 years				
Other loans	83,242	641,643	83,242	641,643
	<u>83,242</u>	<u>641,643</u>	<u>83,242</u>	<u>641,643</u>
Amounts falling due after more than 5 years				
Other loans	638,790	597,987	638,790	597,987
	<u>638,790</u>	<u>597,987</u>	<u>638,790</u>	<u>597,987</u>
	<u>2,996,619</u>	<u>2,955,816</u>	<u>2,496,619</u>	<u>2,455,816</u>

Other loans comprise loan notes payable to Martin Grossman, director, as at 31 December 2017.

Amounts falling due in less than five years, relate to a loan of £1,857,829. This loan (loan note A) is repayable in quarterly instalments of £125,182. The loan will be fully repaid on the earlier of 31 June 2020 or the sale, disposal or public listing of Ozbozz Limited.

As at 31 December 2017 H Grossman Limited (a subsidiary company) owed Martin Grossman £500,000 (2016 - £500,000).

Amounts falling due after more than five years, relate to a single loan of £903,500. This loan (loan note B) is not subject to interest and is repayable in full on the earlier of 30 June 2025 or the sale, disposal or public listing of Ozbozz Limited. Notional interest of £40,803 (2016 - £42,892) has been charged in the year and accrued in the closing fair value loan balance of £638,790. A corresponding transfer has been effected from the capital contribution reserve to the profit and loss reserve in the period equal to the interest charge of £40,803 (2016 - £42,892).

Post year end, as part of the sale of Ozbozz Limited to Tobar International Limited (note 27), Martin Grossman held a fixed and floating charge over all assets of Ozbozz Limited and its subsidiaries in relation to loan notes A and B.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

20. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Cash and cash equivalents	1,593,192	1,238,743	-	-
Financial assets measured at amortised cost	1,975,740	1,638,825	-	-
Financial assets measured at fair value through profit or loss	-	-	4,500,000	4,500,000
	<u>3,568,932</u>	<u>2,877,568</u>	<u>4,500,000</u>	<u>4,500,000</u>
Financial liabilities				
Cash and cash equivalents	-	(972,689)	-	-
Financial liabilities measured at amortised cost	(5,932,062)	(5,461,291)	(3,836,408)	(3,844,072)
	<u>(5,932,062)</u>	<u>(6,433,980)</u>	<u>(3,836,408)</u>	<u>(3,844,072)</u>

Financial assets measured at cost less accumulated impairment through profit or loss comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, other loans and amounts owed to group undertakings.

Derivative financial instruments designated as hedges of variable interest rate risk comprise...

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

21. Deferred taxation

Group

	Group 2017 £	Group 2016 £
At beginning of year (provision)	81,612	(10,212)
(Debited)/ credited to statement of comprehensive income in year	(81,177)	91,824
Deferred tax asset at end of year	435	81,612

The deferred taxation balance is made up as follows:

	Group 2017 £	Group 2016 £
Accelerated capital allowances	-	(2,614)
Tax losses carried forward	435	84,226
	435	81,612

The company has no deferred tax.

22. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
51,000 A1 Ordinary shares of £1 each	51,000	51,000
39,000 A2 Ordinary shares of £1 each	39,000	39,000
10,000 B Ordinary shares of £1 each	10,000	10,000
	100,000	100,000

All ordinary shares rank pari passu.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

23. Reserves

The company's and group's reserves are as follows:

- Share capital represents the nominal value of the shares issued.
- Foreign exchange reserve represents cumulative gain or loss on foreign exchange, arising from the translation of opening net assets of foreign subsidiaries at the opening balance sheet rate and the results of overseas operations at actual rate incurred at the time of the transaction.
- The capital contribution reserve comprises fair value adjustments considered as contributions from owners.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £11,054 (2016 - £43,204). As at 31 December 2017 there were no (2016 - none) contributions payable to the fund.

25. Commitments under operating leases - lessee

At 31 December 2017 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	292,372	346,049
Later than 1 year and not later than 5 years	167,096	812,171
Later than 5 years	-	900,000
	459,468	2,058,220

The company had no commitments under non-cancellable operating leases as at the balance sheet date.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

26. Related party transactions and controlling party

The company has taken advantage of the exemption conferred by Section 33 of FRS 102 not to disclose transactions with its wholly owned subsidiaries.

At 31 December 2017 the company owes Martin Grossman £2,496,619 in relation to loan notes. The loan is split into two loan notes; loan note A worth £1,857,829 which is due in less than 5 years, and loan note B worth £638,790 which is due in greater than 5 years. An amount of £Nil (2016 - £353,507) was paid to Martin Grossman during the year by the company.

As at 31 December 2017, £500,000 (2016 - £500,000) was owed to Martin Grossman by H Grossman Limited (a subsidiary company).

During the year an amount of £200,000 (2016 - £200,000) was payable to H Grossman Properties Limited (a company in which Martin Grossman is a director) for the rental of premises. £151,084 was paid (2016 - £116,667) with £Nil (2016 - £83,333) being waived during the year. The amount owed at the year end was £48,916 (2016 - £Nil).

The total of key management personnel remuneration for the year ended 31 December 2016 is £87,296 (2016 - £127,701).

27. Post balance sheet events

On 3 April 2018, 100% of the share capital of Ozbozz Limited was sold to Tobar International Limited for £2.6 million. As part of this transaction, Loan notes A and B were re-assigned to the new parent company, Tobar International Limited.

28. Controlling party

As of 3 April 2018, Tobar International Limited which is incorporated in England, is the immediate parent company. Tobar International Limited is controlled by Mark Edward Colley. The registered office is Yare House, 62-64 Thorpe Road, Norwich, Norfolk, NR1 1RY.

As of 3 April 2018, Merino Industries Ltd which is incorporated in England, is the ultimate parent company. Merino Industries Ltd is controlled by Mark Edward Colley. The registered office is Golden Cross House, 8 Duncannon Street, London, WC2N 4JF.