

Ozbozz Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 09631127

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COMPANIES HOUSE

Ozbozz Limited

Company Information

Directors	M A Grossman M E Colley G Loveday D J Mordecai
Registered number	09631127
Registered office	Yare House 62-64 Thorpe Road Norfolk United Kingdom NR1 1RY
Independent auditor	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

Ozbozz Limited

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Ozbozz Limited

Strategic Report For the Year Ended 31 December 2018

Introduction

The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2018.

Business review

The Company does not trade as it is an intermediate holding company for H Grossman Trading Limited, H Grossman Limited and H Grossman (H.K.) Limited and is itself a subsidiary of Tobar International Limited.

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

Principal risks and uncertainties

The principal risk of the Company is the change in value of the fixed asset investment. Through this investment the Company is exposed to the underlying risks of the subsidiary undertakings. The key risk for the subsidiary undertakings derive 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. The Company manages the risk by entering into forward contracts for the purchase of foreign currency. The Group maintains close relationships with all of its customers and suppliers to ensure continuity of supply and early communication of changes in cost base or pricing strategy.

Future developments

The continuing activity of the Company will be that of an intermediate holding company.

Financial key performance indicators

The Directors consider the most relevant key performance indicator to be the value of the fixed asset investment held by the Company.

	2018	2017
Investment	£3,290,000	£4,500,000

The value of the fixed asset investment was impaired during the year to reflect the transaction price for the Group's business on the change of ownership which took place in 2018.

This report was approved by the board on **5 APRIL 2019** and signed on its behalf.



G Loveday
Director

Ozbozz Limited

Directors' Report For the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The loss for the year, after taxation, amounted to £1,318,134 (2017 - profit of £35,122).

The Directors do not recommend a dividend for the year ended 31 December 2018 (2017 - £Nil).

Directors

The Directors who served during the year were:

M A Grossman
M E Colley (appointed 3 April 2018)
G Loveday (appointed 3 April 2018)
D J Mordecai (appointed 3 April 2018)

Disclosure of information to auditor

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

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

Post balance sheet events

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

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 5 April 2019 and signed on its behalf.



G Loveday
Director

Ozbozz Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2018

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Ozbozz Limited

Independent Auditor's Report to the Members of Ozbozz Limited

Opinion

We have audited the financial statements of Ozbozz Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Ozbozz Limited

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

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

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

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

Ozbozz Limited

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

Responsibilities of directors

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://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 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.

BDO LLP

Keith Ferguson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Ipswich
United Kingdom 12 April 2019

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

Ozbozz Limited

Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses - other		-	74,235
Administrative expenses - impairment charge		(1,210,000)	-
Operating (loss)/profit	3	(1,210,000)	74,235
Interest receivable and similar income	5	353	-
Interest payable and similar charges	6	(108,487)	(40,803)
(Loss)/profit before tax		(1,318,134)	33,432
Tax on (loss)/profit	7	-	1,690
(Loss)/profit for the financial year		(1,318,134)	35,122

There was no other comprehensive income for 2018 (2017 - £Nil).

The notes on pages 10 to 17 form part of these financial statements.

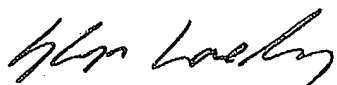
Ozbozz Limited
Registered number: 09631127

Statement of Financial Position
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	8	3,290,000	4,500,000
		<u>3,290,000</u>	<u>4,500,000</u>
Current assets			
Debtors: amounts falling due within one year	9	-	21,607
Cash at bank and in hand		21,960	-
		<u>21,960</u>	<u>21,607</u>
Current liabilities			
Creditors: amounts falling due within one year	10	(3,184,045)	(2,613,648)
Net current liabilities		<u>(3,162,085)</u>	<u>(2,592,041)</u>
Total assets less current liabilities		<u>127,915</u>	<u>1,907,959</u>
Creditors: amounts falling due after more than one year	11	(760,850)	(1,222,760)
Net (liabilities)/assets		<u><u>(632,935)</u></u>	<u><u>685,199</u></u>
Capital and reserves			
Called up share capital	13	100,000	100,000
Capital redemption reserve	14	225,892	264,710
Profit and loss account	14	(958,827)	320,489
		<u><u>(632,935)</u></u>	<u><u>685,199</u></u>

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

5 APRIL 2019.



G Loveday
Director

The notes on pages 10 to 17 form part of these financial statements.

Ozbozz Limited

Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	100,000	264,710	320,489	685,199
Comprehensive income for the year				
Loss for the year	-	-	(1,318,134)	(1,318,134)
Total comprehensive income for the year	-	-	(1,318,134)	(1,318,134)
Transfer between reserves	-	(38,818)	38,818	-
Total transactions with owners	-	(38,818)	38,818	-
At 31 December 2018	100,000	225,892	(958,827)	(632,935)

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

	Called up share capital	Capital redemption 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 10 to 17 form part of these financial statements.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Ozbozz Limited is a private company limited by shares and incorporated in Scotland under the Companies Act. The address of the registered office is given on the Company Information page, and its principal activity is given in the Directors' Report.

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 ("FRS 102"), and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual entity.

The following principle accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tobar International Limited as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

1.3 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.4 Finance costs

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

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.5 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Financial instruments

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.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

1.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

1.9 Taxation

Tax is recognised in the 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 reporting date in the countries where the Company operates and generates income.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Investments (see note 8)

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments measured at cost less accumulated impairment. The Directors assess the investments at each Statement of Financial Position date for indicators of impairment based on a variety of factors including performance of investments and any changes in the activities of the investments.

3. Operating (loss)/profit

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

	2018 £	2017 £
Impairment of investments	1,210,000	-
Exchange differences	-	(74,683)
	<u>1,210,000</u>	<u>(74,683)</u>

Audit fees in respect of Ozbozz Limited are borne by H Grossman Limited. These fees amounted to £3,653 (2017 - £3,316).

4. Employees

The only employees to serve during the year were the Directors and they received no remuneration from the Company in either accounting period.

5. Interest receivable

	2018 £	2017 £
Other interest receivable	353	-
	<u>353</u>	<u>-</u>

6. Interest payable and similar expenses

	2018 £	2017 £
Other loan interest payable	108,487	40,803
	<u>108,487</u>	<u>40,803</u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

7. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	3,881
Adjustments in respect of previous periods	-	(5,571)
Total current tax	<u>-</u>	<u>(1,690)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	<u>(1,318,134)</u>	<u>33,432</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(250,445)	6,436
Effects of:		
Expenses not deductible for tax purposes	229,900	72
Adjustments to tax charge in respect of previous periods	-	(5,571)
Deferred tax not recognised	-	(2,591)
Adjust deferred tax to average rate	-	(36)
Group relief	20,545	-
Total tax charge for the year	<u>-</u>	<u>(1,690)</u>

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 2018

8. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	4,500,000
At 31 December 2018	4,500,000
Impairment	
Charge for the year	1,210,000
At 31 December 2018	1,210,000
Net book value	
At 31 December 2018	3,290,000
At 31 December 2017	4,500,000

The impairment charge has been calculated by reference to the transaction price established for the Group's business on the change of ownership which took place during 2018.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
H Grossman Trading Limited	Ordinary	100 %	Intermediate holding company
H Grossman Limited*	Ordinary	100 %	Purchase and sale of toys
H Grossman (H.K) Limited*	Ordinary	100 %	Purchase and sale of toys

*Indirectly held

Further details regarding the subsidiary companies are shown below:

Name	Registered office
H Grossman Trading Limited	Quay Industrial Estate, Ashton Road, Rutherglen, Glasgow, G73 1UB, Scotland
H Grossman Limited	Quay Industrial Estate, Ashton Road, Rutherglen, Glasgow, G73 1UB, Scotland
H Grossman (H.K) Limited	Room 1105, 11th Floor, Tower 2, South Seas Centre, 75 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

9. Debtors

	2018 £	2017 £
Tax recoverable	-	21,607

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	1,774,587	1,273,859
Amounts owed to group undertakings	1,339,789	1,339,789
Other creditors	69,669	-
	<u>3,184,045</u>	<u>2,613,648</u>

The other loans are unsecured loan notes due for repayment within one year which bear interest at 5%.

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

	2018 £	2017 £
Other loans	<u>760,850</u>	<u>1,222,760</u>

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

12. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Other loans	1,774,587	1,273,859
Amounts falling due 1-2 years		
Other loans	83,242	500,728
Amounts falling due 2-5 years		
Other loans	-	83,242
Amounts falling due after more than 5 years		
Other loans	677,608	638,790
	<u>2,535,437</u>	<u>2,496,619</u>

The other loans falling due in less than one year and in 1-2 years at 31 December 2018 are unsecured loan notes due for repayment in March 2020, bearing interest at 5%. The amounts falling due after 5 years at 31 December 2018 comprise interest free unsecured loan notes due on 30 June 2025.

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100,000 B Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

On 3 April 2018 the entire share capital was purchased by Tobar International Limited.

14. Reserves

Called up share capital

Share capital represents the nominal value of the shares issued.

Capital redemption reserve

The reserve comprises fair value adjustments considered as contributions from owners.

Profit and loss account

The reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

Ozbozz Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

15. Contingent liabilities

The Company has guaranteed bank debts of Tobar Group Trading Limited. The debts are secured by a fixed and floating charge over all assets, property and undertakings of the Company. The maximum amount payable under this guarantee is £5,336,671 (2017 - £3,507,009).

There are fixed and floating charges over all assets, property and undertakings of the Company.

16. Related party transactions

At the year end, the Company owed Martin Grossman £Nil (2017 - £2,496,619) in relation to loan notes. The loan is split into two loan notes; loan note A worth £Nil (2017 - £1,857,829) which is due in less than 5 years and loan note B worth £Nil (2017 - £638,790) which is due in greater than 5 years.

These amounts, being the unsecured loan notes disclosed in notes 10, 11 and 12, were assigned to Tobar International Limited following the change in ownership on 3 April 2018.

17. Controlling party

The company is a subsidiary of Tobar International Limited which is incorporated in the United Kingdom. The registered office address of Tobar International Limited is Yare House, 62-64 Thorpe Road, Norwich, Norfolk, NR1 1RY.

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

The smallest and largest group in which the results of the Company are consolidated is that headed by Tobar International Limited, consolidated group accounts are publicly available at Companies House, Crown Way, Cardiff, CF14 3UZ.