

Company Registration No. SC198334 (Scotland)

**BIP CANDY & TOYS UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



# BIP CANDY & TOYS UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G Rill JMD Harberts
<b>Company number</b>	SC198334
<b>Registered office</b>	Summit House 4-5 Mitchell Street Edinburgh Scotland EH6 7BD
<b>Senior statutory auditor</b>	Cathryn McDowell FCCA
<b>Auditor</b>	Chadwick & Company (Manchester) Limited Chartered Accountants Statutory Auditors Capital House 272 Manchester Road Droylsden Manchester M43 6PW
<b>Business address</b>	1st Floor, Unit E Orbital 24 Oldham Street Denton Manchester M34 3SU
<b>Bankers</b>	National Westminster Bank plc 36 The Rock Bury Lancashire BL9 0NU  ABN AMRO (ABN AMRO Asset Based Finance N.V. UK Branch) Sheencroft House 10-12 Church Road Haywards Heath West Sussex RH16 3SN

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# **BIP CANDY & TOYS UK LIMITED**

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# BIP CANDY & TOYS UK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present the strategic report for the year ended 31 March 2022.

#### **Fair review of the business**

This year has once again been impacted by the challenges from the aftermath of the Covid-19 pandemic and also from escalating freight costs associated with shipping goods from Far East suppliers.

Container prices increased by more than tenfold in the period between August 2021 and the year-end. Seasonal business had been quoted on freight charges up to 50% less than at their peak, without the ability to pass the increases on to the customers. Cost price increases were implemented on all year round business in order to mitigate some of the impact.

Despite these many challenges, turnover has started to see a return to pre-pandemic levels.

Turnover for the year, after discounts allowed, increased by 29.8% to £17,038,722 (2021 - £13,124,207). The gross profit margin decreased to 17.5% (2021 - 22.3%).

#### **Principal risks and uncertainties**

The company continues to import goods from all over the world and covers currency where possible at the time orders are received to minimise margin fluctuation caused by the volatility in exchange rates.

#### **Interest rate risk**

The company's borrowings during the financial period were principally a bank overdraft which attracts interest at a variable rate negotiated with the company's bankers and invoice discounting. The bank overdraft was only required at peak times during the year and at this time financial liabilities, interest charges and cash flows are affected by movements in interest rates. Interest charged on invoice discounting is negotiated in advance and based on the level of turnover during the year. Since the year-end the bank overdraft has been replaced by Invoice Finance which incurs fixed interest rates for the duration of the agreement.

#### **Liquidity risk**

The company manages its cash and borrowing requirements in order to minimise interest expenses, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business by way of Invoice Finance, which is now the company's main source of finance, to cover seasonal variances.

#### **Foreign currency risk**

The company's principal foreign currency risk arises from sourcing product lines from the Far East and Europe, which exposes the company to fluctuating currency markets, in particular US Dollars and the Euro. The company, to minimise this exposure, enters into foreign exchange forward contracts.

#### **Credit risk**

All customers who wish to trade on credit terms are subject to stringent credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **Development and performance**

The company is sufficiently funded and continues to return profits in uncertain economic times. As a consequence the directors remain confident the company is strongly placed to exploit trading opportunities as they arise.

The company is continually striving to target growth sector companies.

#### **Key performance indicators**

During continued difficult trading conditions as a result of factors outside the company's control the key performance indicators remain consistent.

At the year end, the company had shareholders' funds of £2,126,404 (2021 - £2,227,486) including distributable reserves amounting to £2,086,404 (2021 - £2,187,486). Given that net current assets exceeded current liabilities by £2,107,365 (2021 - £2,205,338) the director believes the company's position to be satisfactory.

## **BIP CANDY & TOYS UK LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **Future developments**

During the year the business continued to support company-wide IT solutions enabling a blend of in-house and remote activity. Work has already begun for the introduction of the SAP by Design computer system in use by the parent company in Holland for the last three years.

Forecasts have been prepared to include the impact of the current year cost increases and the team are confident they can continue to withstand the economic challenges that are appearing.

Today we can confirm that the realised gross sales in the first ten months of the new financial year 22/23 are in line with the budget. Gross profit margins are slightly behind the budget target, but are recovering significantly from the impact of cost increases in 21/22.

On behalf of the board

G Rill

**Director**

22 February 2023

# **BIP CANDY & TOYS UK LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their annual report and financial statements for the year ended 31 March 2022.

#### **Principal activities**

The principal activity of the company was that of confectionery distributors specialising in children's novelty products and adult gift confectionery.

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R C Korsmit	(Resigned 25 August 2021)
G Rill	(Appointed 18 August 2021)
JMD Harberts	(Appointed 22 December 2022)

#### **Future developments**

In January 2023, the company moved its facility with RBS Invoice Finance to ABN AMRO. Debentures at Companies House were satisfied in favour of RBS Invoice Finance and new debentures created in favour of ABN AMRO.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Chadwick & Company (Manchester) Limited be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of directors' responsibilities**

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 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.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

## **BIP CANDY & TOYS UK LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **Strategic Report**

Details of the company's future developments and risk exposure are included in the Strategic Report.

On behalf of the board

G Rill

**Director**

22 February 2023

# BIP CANDY & TOYS UK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BIP CANDY & TOYS UK LIMITED

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#### Opinion

We have audited the financial statements of BIP Candy & Toys UK Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Since the balance sheet date, the removal of the company's multi-currency facility by NatWest has led to restrictions being imposed on the day-to-day bank facilities. Despite this, the company is managing to maintain a positive cash flow.

The company has negotiated a new invoice finance facility with a Dutch bank, to allow cash flow to be maintained and work on projected cash flows indicate the facility will be administered within the agreed terms. Management prepare quarterly forecasts so that any anomalies can be addressed expeditiously. Budgets and actual results up to January 2023 do not indicate any going concern issues relating to cash flow. The new invoice finance facility is in place for twelve months from January 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



# **BIP CANDY & TOYS UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BIP CANDY & TOYS UK LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 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 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the 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.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered and updated our knowledge of the company's specific industry and its regulatory environment, and reviewed the company's documentation surrounding the policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities. Based on this understanding, we identified and assessed the risks of material misstatement in the financial statements and designed and performed audit procedures in response to those risks.

We identified the key laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, the most significant of these is the UK Companies Act 2006. We also gained knowledge of the legal and regulatory frameworks which do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

# **BIP CANDY & TOYS UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BIP CANDY & TOYS UK LIMITED**

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#### **Audit response to risks identified**

The audit engagement team were made aware of the potential opportunities and incentives that may exist within the company for fraudulent activity and how and where fraud might occur or be concealed within the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other manual adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, we designed procedures which included:

- enquiring of management and those charged with governance concerning actual and potential litigation and claims and any known instances of non-compliance with laws and regulations;
- enquiries were made of the company's legal advisors, requesting details of any litigation or claims made against the company in the past financial year;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing detailed audit work on areas identified as being susceptible to management bias and override of controls, such as provisions, estimates and journal entries;
- performing analytical procedures to identify any unusual relationships that may indicate a risk of material misstatement due to fraud.

A further description of our responsibilities is available on 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.

**Cathryn McDowell FCCA (Senior Statutory Auditor)**

**For and on behalf of Chadwick & Company (Manchester) Limited**

Chartered Accountants  
Statutory Auditors  
Capital House  
272 Manchester Road  
Droylsden  
Manchester  
M43 6PW

23 February 2023

# BIP CANDY & TOYS UK LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	17,038,722	13,124,207
Cost of sales		(14,064,894)	(10,200,149)
<b>Gross profit</b>		<b>2,973,828</b>	<b>2,924,058</b>
Distribution costs		(1,311,386)	(1,032,133)
Administrative expenses		(1,717,545)	(1,753,985)
Other operating income	3	-	43,942
<b>Operating (loss)/profit</b>	4	<b>(55,103)</b>	<b>181,882</b>
Interest payable and similar expenses	8	(69,741)	(41,875)
<b>(Loss)/profit before taxation</b>		<b>(124,844)</b>	<b>140,007</b>
Tax on (loss)/profit	9	23,762	(32,111)
<b>(Loss)/profit for the financial year</b>		<b>(101,082)</b>	<b>107,896</b>
Retained earnings brought forward		2,187,486	2,789,590
Dividends	10	-	(710,000)
<b>Retained earnings carried forward</b>		<b>2,086,404</b>	<b>2,187,486</b>

The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

# BIP CANDY & TOYS UK LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	11		21,016		24,518
<b>Current assets</b>					
Stocks	12	2,199,035		1,754,882	
Debtors	13	3,033,626		2,324,028	
Cash at bank and in hand		220,532		5,820	
		5,453,193		4,084,730	
<b>Creditors: amounts falling due within one year</b>	14	(3,345,828)		(1,879,392)	
<b>Net current assets</b>			2,107,365		2,205,338
<b>Total assets less current liabilities</b>			2,128,381		2,229,856
<b>Provisions for liabilities</b>					
Deferred tax liability	16	1,977	(1,977)	2,370	(2,370)
<b>Net assets</b>			2,126,404		2,227,486
<b>Capital and reserves</b>					
Called up share capital	18		28,000		28,000
Capital redemption reserve	19		12,000		12,000
Profit and loss reserves	19		2,086,404		2,187,486
<b>Total equity</b>			2,126,404		2,227,486

The financial statements were approved by the board of directors and authorised for issue on 22 February 2023 and are signed on its behalf by:

G Rill  
Director

JMD Harberts  
Director

Company Registration No. SC198334

# BIP CANDY & TOYS UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	24		84,095		(261,026)
Interest paid			(69,741)		(41,875)
Income taxes refunded/(paid)			6,864		(101,739)
<b>Net cash inflow/(outflow) from operating activities</b>			21,218		(404,640)
<b>Investing activities</b>					
Proceeds on disposal of tangible fixed assets		-		3,000	
<b>Net cash (used in)/generated from investing activities</b>			-		3,000
<b>Financing activities</b>					
Dividends paid		-		(1,080,000)	
<b>Net cash used in financing activities</b>			-		(1,080,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>			21,218		(1,481,640)
Cash and cash equivalents at beginning of year			5,820		1,487,460
<b>Cash and cash equivalents at end of year</b>			27,038		5,820
<b>Relating to:</b>					
Cash at bank and in hand			220,532		5,820
Bank overdrafts included in creditors payable within one year			(193,494)		-

# **BIP CANDY & TOYS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

#### **1.2 Going concern**

In considering going concern, the directors and management have reviewed the cash flow requirements of the company, both under normal circumstances and reflecting the restrictions imposed by NatWest. The company has access to long-term invoice finance facilities, which the directors anticipate being available on a continuing basis.

Based on these assessments, the Board has a reasonable expectation that the company has adequate resources to continue in operation existence for the foreseeable future.

#### **1.3 Turnover**

Turnover represents amounts derived from the provision of goods and services (net of VAT and trade discounts) to customers during the year.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	10 years straight line
Plant and machinery	3 years straight line
Fixtures, fittings & equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.6 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is calculated using the average cost method of valuation.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

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

Basic financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

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

# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled. The company enters into foreign exchange forward contracts in order to manage its exposure to foreign exchange risk. The company follows the accounting policy of the group and hedge accounting is applied. Any gain or loss on forward exchange contracts expiring during the year are taken through the profit and loss account.

### 1.9 Hedge accounting

The company follows the accounting policy of the group and hedge accounting is applied. Any gain or loss on forward exchange contracts expiring during the year are taken through the profit and loss account.

### 1.10 Taxation

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

#### **Current tax**

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



# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

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

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.14 Government grants**

Amounts received in connection with the Coronavirus Job Retention Scheme are allocated to the profit and loss account when they are received and disclosed as other operating income.

#### **1.15 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling, where appropriate, at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### **1.16 Royalties**

The company recognises royalties payable as and when they become due.

#### **1.17 Company information**

BIP Candy & Toys UK Limited is a private company limited by shares incorporated in Scotland. The registered office is Summit House, 4-5 Mitchell Street, Edinburgh, Scotland, EH6 7BD.

# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In considering the going concern assumption, the directors have had to apply judgement in relation to the potential impact the restrictions imposed by NatWest may have on cash flow of the company. In arriving at this judgment, the directors have considered the financial resilience of the company and how it would manage any impact as a result of the restrictions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Sales generated under the company's principal activity	17,038,722	13,124,207
	<u>17,038,722</u>	<u>13,124,207</u>
	2022 £	2021 £
<b>Other significant revenue</b>		
Grants received	-	43,942
	<u>-</u>	<u>43,942</u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	16,273,526	12,277,567
European Union	765,196	846,640
	<u>17,038,722</u>	<u>13,124,207</u>

### 4 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	73,033	(113,472)
Government grants	-	(43,942)
Depreciation of owned tangible fixed assets	3,502	17,522
Profit on disposal of tangible fixed assets	-	(3,000)
Operating lease charges	47,830	47,008
	<u>124,365</u>	<u>(92,884)</u>

# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	30,000	27,200
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	3,438	1,705
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2022	2021
	Number	Number
Sales	3	4
Administration	3	4
Marketing and product design	3	4
Logistics and quality control	4	5
	<u>          </u>	<u>          </u>
Total	13	17
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	544,387	603,402
Social security costs	54,584	58,014
Pension costs	48,744	100,255
	<u>          </u>	<u>          </u>
	647,715	761,671
	<u>          </u>	<u>          </u>

### 7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	-	87,402
Company pension contributions to defined contribution schemes	-	438
	<u>          </u>	<u>          </u>
	-	87,840
	<u>          </u>	<u>          </u>

Directors' remuneration includes benefits-in-kind.

# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	20,516	5,604
Interest on invoice finance arrangements	49,206	36,092
	<u>69,722</u>	<u>41,696</u>
<b>Other finance costs:</b>		
Other interest	19	179
	<u>69,741</u>	<u>41,875</u>

### 9 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	(23,369)	29,448
Adjustments in respect of prior periods	-	5,130
	<u>(23,369)</u>	<u>34,578</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(393)	(2,467)
	<u>(23,762)</u>	<u>32,111</u>
<b>Total tax (credit)/charge</b>	<u>(23,762)</u>	<u>32,111</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Loss)/profit before taxation	<u>(124,844)</u>	<u>140,007</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(23,720)	26,601
Tax effect of expenses that are not deductible in determining taxable profit	150	380
Tax effect of income not taxable in determining taxable profit	(192)	-
Permanent capital allowances in excess of depreciation	393	2,467
Deferred tax	(393)	(2,467)
Adjustments in respect of prior periods	-	5,130
	<u>(23,762)</u>	<u>32,111</u>
<b>Taxation (credit)/charge for the year</b>	<u>(23,762)</u>	<u>32,111</u>

# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 10 Dividends

	2022 £	2021 £
Interim paid on Ordinary shares	-	710,000

### 11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2021 and 31 March 2022	35,027	11,800	30,251	77,078
<b>Depreciation and impairment</b>				
At 1 April 2021	10,509	11,800	30,251	52,560
Depreciation charged in the year	3,502	-	-	3,502
At 31 March 2022	14,011	11,800	30,251	56,062
<b>Carrying amount</b>				
At 31 March 2022	21,016	-	-	21,016
At 31 March 2021	24,518	-	-	24,518

### 12 Stocks

	2022 £	2021 £
Work in progress	21,246	27,397
Finished goods and goods for resale	2,177,789	1,727,485
	2,199,035	1,754,882

Finished goods valuation above includes provision against slow-moving stocks of £67,000 (2021 - £122,000).

## BIP CANDY & TOYS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 13 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	2,926,357	2,168,395
Corporation tax recoverable	18,260	1,755
Other debtors	654	36,874
Prepayments and accrued income	88,355	117,004
	<u>3,033,626</u>	<u>2,324,028</u>

Other debtors includes amounts owed to the company by RBS Invoice Finance of £nil (2021 - £34,111) relating to cash held in respect of trade debts discounted on a recourse basis.

#### 14 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans and overdrafts	15	193,494	-
Trade creditors		1,253,915	797,407
Taxation and social security		921,442	624,710
Other creditors		716,380	65,910
Accruals and deferred income		260,597	391,365
		<u>3,345,828</u>	<u>1,879,392</u>

Other creditors includes amounts owed by the company to RBS Invoice Finance of £646,124 (2021 - £nil) relating to cash received in respect of trade debts discounted on a recourse basis and is secured by a floating charge over all of the assets of the company. In January 2023 the charges were released.

#### 15 Loans and overdrafts

	2022	2021
	£	£
Bank overdrafts	193,494	-
	<u>193,494</u>	<u>-</u>
Payable within one year	193,494	-
	<u>193,494</u>	<u>-</u>

NatWest now hold a fixed charge, containing a negative pledge, created on 19 January 2023, which replaced the legal charge in place on the overdraft facilities which has since been removed.

## BIP CANDY & TOYS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

#### 16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	1,977	2,370
		<b>2022</b>
		£
<b>Movements in the year:</b>		
Liability at 1 April 2021		2,370
Credit to profit or loss		(393)
Liability at 31 March 2022		1,977

#### 17 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	48,744	100,255

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 18 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	28,000	28,000	28,000	28,000

#### 19 Reserves

##### Capital redemption reserve

Capital redemption reserve records the nominal value of shares repurchased by the company.

##### Own shares

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

##### Profit and loss reserve

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

# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 20 Financial commitments, guarantees and contingent liabilities

##### Forward exchange contracts

The company's policy is to enter into forward exchange contracts on future purchases where there is a high degree of likelihood of an exposure occurring. Gains and losses on these contracts are recognised in the profit and loss when they are completed.

At 31 March 2022, the company had outstanding contracts amounting to £4,953,432 (2021 - £8,449,315), translated at the contract rate in US Dollars and Euros, due to mature within one year. This represents \$3,500,000 and €4,000,000 (2021 - \$6,837,677 and €3,807,552). The fair value relating to forward exchange contracts amounted to a gain of £40,327 (2021 - loss £253,354).

##### Goods committed to

At 31 March 2022, the company was committed to purchases of goods amounting to £2,741,015 (2021 - £800,564).

#### 21 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	32,625	43,500
Between two and five years	141,375	130,500
In over five years	32,625	76,125
	<u>206,625</u>	<u>250,125</u>

#### 22 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

##### Other information

No guarantees have been given or received.

The company has taken advantage of the exemption under the Financial Reporting Standard 102 Section 33.1A from disclosing any transactions and balances with group entities of which the group owns 100% of the share capital.

#### 23 Ultimate controlling party

The parent company of BIP Candy & Toys UK Limited is BIP Holland B.V., who own 100% of the issued Ordinary share capital of the company, and is registered in the Netherlands.

The financial statements of the company are consolidated into the accounts of BCF Holding B.V. located at Bredaseweg 123, 4872 LA Etten-Leur, Netherlands. This company owns 100% of the issued Ordinary share capital of BIP Holland B.V.

This company is itself 95% owned by DOK Kindersüßwaren GmbH, a company registered in Germany, located at Aspastraße 24, 59394 Nordkirchen, Germany.



# BIP CANDY & TOYS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 24 Cash generated from/(absorbed by) operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(101,082)	107,896
<b>Adjustments for:</b>		
Taxation (credited)/charged	(23,762)	32,111
Finance costs	69,741	41,875
Gain on disposal of tangible fixed assets	-	(3,000)
Depreciation and impairment of tangible fixed assets	3,502	17,522
<b>Movements in working capital:</b>		
Increase in stocks	(444,153)	(146,805)
(Increase)/decrease in debtors	(693,093)	1,205,320
Increase/(decrease) in creditors	1,272,942	(1,515,945)
<b>Cash generated from/(absorbed by) operations</b>	<b>84,095</b>	<b>(261,026)</b>

### 25 Analysis of changes in net funds

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	5,820	214,712	220,532
Bank overdrafts	-	(193,494)	(193,494)
	<u>5,820</u>	<u>21,218</u>	<u>27,038</u>

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