

Registration number: 282792

ICANDY WORLD LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



ICANDY WORLD LIMITED
CONTENTS

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 to 22

ICANDY WORLD LIMITED

COMPANY INFORMATION

Directors B M Appel
 W A Appel
 N Appel
 D S Appel

Registered office Montgomery Way
 Biggleswade
 SG18 8UB

Auditors Hazlewoods LLP
 Windsor House
 Bayshill Road
 Cheltenham
 GL50 3AT

ICANDY WORLD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their strategic report for the year ended 31 March 2016.

Fair review of the business

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

There has been an increase in the company's turnover from £16.3m to £18.3m, with the operating profit decreasing from £3.6m to £2.4m. The profit for the financial year after taxation was £1,898k (2015 - £2,786k).

Key performance indicators

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

Future developments

The company is continuing to invest in design and innovation to ensure all of its products remain desirable and maintain a high level of quality. The board expects continued growth in the forthcoming year.

Financial instruments

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

Principal risks and uncertainties

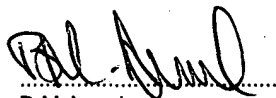
Credit risk - The company offers credit to certain of its customers. Before credit terms are agreed, an assessment of the customer's credit rating is undertaken. Credit limits are set accordingly.

Price risk - The company is subject to price risk and foreign exchange rate risk as purchases are made in US Dollars and Chinese Yuan Renminbi. The company manages this risk by purchasing US Dollars and Chinese Yuan Renminbi on forward contracts where they consider this to be appropriate.

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

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

Approved by the Board on ~~16 December~~ 2016 and signed on its behalf by:



B M Appel
Director

ICANDY WORLD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors of the company

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

B M Appel

W A Appel

N Appel (appointed 8 November 2015)

D S Appel (appointed 8 November 2015)

Going concern

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

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on ~~16 October~~ 2016 and signed on its behalf by:



B M Appel
Director

ICANDY WORLD LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ICANDY WORLD LIMITED

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of iCandy World Limited for the year ended 31 March 2016, set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ICANDY WORLD LIMITED

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

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

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: *19 December 2016*

ICANDY WORLD LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016**

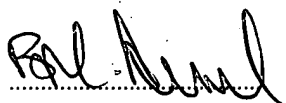
	Note	2016 £	2015 £
Turnover	3	18,276,609	16,313,237
Cost of sales		(8,852,482)	(7,442,751)
Exceptional cost of sales		-	228,465
Gross profit		<u>9,424,127</u>	<u>9,098,951</u>
Administrative expenses - normal		(7,169,113)	(5,494,278)
Exceptional administrative expenses		(181,000)	-
Operating profit	4	<u>2,436,014</u>	<u>3,604,673</u>
Other interest receivable and similar income		2	872
Interest payable and similar charges		(60,477)	(66,788)
		<u>(60,475)</u>	<u>(65,916)</u>
Profit before tax		2,375,539	3,538,757
Taxation	9	(477,469)	(752,410)
Profit for the financial year		<u>1,898,070</u>	<u>2,786,347</u>

The above results were derived from continuing operations.

ICANDY WORLD LIMITED
(REGISTRATION NUMBER: 282792)
BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	<u>3,183,719</u>	<u>2,658,554</u>
Current assets			
Stocks	11	3,273,379	4,485,156
Debtors	12	4,211,211	1,735,651
Cash at bank and in hand		<u>1,287,573</u>	<u>555,163</u>
		8,772,163	6,775,970
Creditors: Amounts falling due within one year	13	<u>(4,036,329)</u>	<u>(3,386,217)</u>
Net current assets		<u>4,735,834</u>	<u>3,389,753</u>
Total assets less current liabilities		7,919,553	6,048,307
Creditors: Amounts falling due after more than one year	13	(365,404)	(404,561)
Provisions for liabilities		<u>(12,333)</u>	<u>-</u>
Net assets		<u>7,541,816</u>	<u>5,643,746</u>
Capital and reserves			
Called up share capital	15	2,105	2,105
Capital redemption reserve		895	895
Retained earnings		<u>7,538,816</u>	<u>5,640,746</u>
Total equity		<u>7,541,816</u>	<u>5,643,746</u>

Approved and authorised by the Board on ~~16 December~~ 2016 and signed on its behalf by:



B M Appel
 Director

ICANDY WORLD LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 April 2015	2,105	895	5,640,746	5,643,746
Profit for the year	-	-	1,898,070	1,898,070
At 31 March 2016	<u>2,105</u>	<u>895</u>	<u>7,538,816</u>	<u>7,541,816</u>

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 April 2014	2,105	895	4,263,338	4,266,338
Profit for the year	-	-	2,786,347	2,786,347
Dividends	-	-	(1,408,939)	(1,408,939)
At 31 March 2015	<u>2,105</u>	<u>895</u>	<u>5,640,746</u>	<u>5,643,746</u>

ICANDY WORLD LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		1,898,070	2,786,347
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	641,661	576,630
Profit on disposal of property plant and equipment	4	-	(12,500)
Finance income		(2)	(872)
Finance costs		60,477	66,788
Income tax expense	9	477,469	752,410
		<u>3,077,675</u>	<u>4,168,803</u>
Working capital adjustments			
Decrease/(increase) in inventories	11	1,211,777	(2,187,108)
Increase in trade and other receivables	12	(2,479,324)	(783,543)
Increase in trade and other payables	13	1,797,033	132,518
Cash generated from operations		3,607,161	1,330,670
Income taxes paid		<u>(626,351)</u>	<u>(582,922)</u>
Net cash flow from operating activities		<u>2,980,810</u>	<u>747,748</u>
Cash flows from investing activities			
Interest received		2	872
Acquisitions of property plant and equipment		(1,166,826)	(730,715)
Proceeds from sale of property plant and equipment		-	12,500
Net cash flows from investing activities		<u>(1,166,824)</u>	<u>(717,343)</u>
Cash flows from financing activities			
Interest paid		(60,477)	(11,570)
Repayment of bank borrowing		(38,238)	(37,365)
Repayment of other borrowing		(982,861)	(989,965)
Dividends paid		-	(70,344)
Net cash flows from financing activities		<u>(1,081,576)</u>	<u>(1,109,244)</u>
Net increase/(decrease) in cash and cash equivalents		732,410	(1,078,839)
Cash and cash equivalents at 1 April		555,163	1,634,002
Cash and cash equivalents at 31 March		<u>1,287,573</u>	<u>555,163</u>

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 General information

The company is a incorporated and domiciled in England and Wales.

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

These financial statements were authorised for issue by the Board on 16 December 2016.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

Judgements and estimation uncertainty

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

Revenue recognition

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

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

Foreign currency transactions and balances

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

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

Tax

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

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2 Accounting policies (continued)

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 taxable income.

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

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

Tangible assets

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

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

Depreciation

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

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

Cash and cash equivalents

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

Trade debtors

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

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

Stocks

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

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2 Accounting policies (continued)

Trade creditors

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

Trade creditors are recognised at the transaction price.

Borrowings

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

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

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

Share capital

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

Dividends

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

Defined contribution pension obligation

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

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

Financial instruments

Classification

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

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2 Accounting policies (continued)

Financial instruments (continued)

Recognition and measurement

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

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

Impairment

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

Non-financial assets

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

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

Financial assets

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

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

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

3 Turnover

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

	2016	2015
	£	£
Sale of goods	<u>18,276,609</u>	<u>16,313,237</u>

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3 Turnover (continued)

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

	2016	2015
	£	£
United Kingdom	14,990,095	12,968,312
Europe	1,408,453	1,699,491
Australia	1,487,587	1,395,988
Asia	273,019	233,152
Rest of World	117,455	16,294
	<u>18,276,609</u>	<u>16,313,237</u>

4 Operating profit

Arrived at after charging/(crediting)

	2016	2015
	£	£
Depreciation expense	641,661	576,630
Foreign exchange gains	57,487	310,867
Operating lease expense - property	70,847	24,363
Profit on disposal of property, plant and equipment	-	(12,500)
	<u>-</u>	<u>(12,500)</u>

5 Exceptional items

	2016	2015
	£	£
Exceptional credit to costs of sales	-	(228,465)
Exceptional credit to administration expenses	(181,000)	-
	<u>(181,000)</u>	<u>(228,465)</u>

The exceptional credit to cost of sales related to a trade creditor that arose in 2014 which was no longer payable as it related to the supply of goods which were found to be substandard.

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

6 Staff costs

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

	2016	2015
	£	£
Wages and salaries	2,602,321	1,624,010
Social security costs	315,465	161,247
Pension costs, defined contribution scheme	13,607	12,928
	<u>2,931,393</u>	<u>1,798,185</u>

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6 Staff costs (continued)

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

	2016	2015
	No.	No.
Administration and support	<u>58</u>	<u>54</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016	2015
	£	£
Remuneration	575,212	50,174
Contributions paid to money purchase schemes	<u>146</u>	<u>8,333</u>
	<u>575,358</u>	<u>58,507</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2016	2015
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2016	2015
	£	£
Remuneration	268,750	25,281
Company contributions to money purchase pension schemes	<u>-</u>	<u>4,167</u>

8 Auditors' remuneration

	2016	2015
	£	£
Audit of the financial statements	<u>16,000</u>	<u>14,400</u>
Other fees to auditors		
All other non-audit services	<u>10,455</u>	<u>9,440</u>

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

9 Income tax

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	461,372	718,372
UK corporation tax adjustment to prior periods	-	(9,972)
	<u>461,372</u>	<u>708,400</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>16,097</u>	<u>44,010</u>
Tax expense in the income statement	<u><u>477,469</u></u>	<u><u>752,410</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 21%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>2,375,539</u>	<u>3,538,757</u>
Corporation tax at standard rate	475,108	743,139
Decrease from effect of different UK tax rates on some earnings	(2,841)	2,185
Effect of expense not deductible in determining taxable profit (tax loss)	1,078	1,736
Tax increase from effect of depreciation ineligible for capital allowances	7,997	15,322
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(3,873)</u>	<u>(9,972)</u>
Total tax charge	<u><u>477,469</u></u>	<u><u>752,410</u></u>

Deferred tax

Deferred tax assets and liabilities

2016	Asset £	Liability £
Difference between accumulated depreciated and amortisation and capital allowances	-	7,054
Capital gains rolled over	-	36,000
Other timing differences	<u>30,721</u>	-
	<u><u>30,721</u></u>	<u><u>43,054</u></u>

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

9 Income tax (continued)

2015	Asset £	Liability £
Difference between accumulated depreciated and amortisation and capital allowances	7,622	-
Capital gains rolled over	-	40,000
Other timing differences	36,142	-
	<u>43,764</u>	<u>40,000</u>

10 Tangible assets

	Freehold land and buildings £	Plant and machinery	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2015	1,996,799	2,008,243	1,323,859	5,328,901
Additions	2,495	391,415	772,916	1,166,826
At 31 March 2016	<u>1,999,294</u>	<u>2,399,658</u>	<u>2,096,775</u>	<u>6,495,727</u>
Depreciation				
At 1 April 2015	199,110	1,506,312	964,925	2,670,347
Charge for the year	39,986	295,871	305,804	641,661
At 31 March 2016	<u>239,096</u>	<u>1,802,183</u>	<u>1,270,729</u>	<u>3,312,008</u>
Carrying amount				
At 31 March 2016	<u>1,760,198</u>	<u>597,475</u>	<u>826,046</u>	<u>3,183,719</u>
At 31 March 2015	<u>1,797,689</u>	<u>501,931</u>	<u>358,934</u>	<u>2,658,554</u>

11 Stocks

	2016 £	2015 £
Goods for resale	<u>3,273,379</u>	<u>4,485,156</u>

12 Debtors

	Note	2016 £	2015 £
Trade debtors		3,743,909	1,584,029
Prepayments		467,302	147,858
Deferred tax assets	9	-	3,764
Total current trade and other receivables		<u>4,211,211</u>	<u>1,735,651</u>

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13 Creditors

	Note	2016 £	2015 £
Due within one year			
Loans and borrowings	14	417,834	1,344,558
Trade creditors		2,403,455	1,229,193
Social security and other taxes		538,974	137,790
Outstanding defined contribution pension costs		2,152	-
Accrued expenses		594,985	430,768
Income tax liability		78,929	243,908
		<u>4,036,329</u>	<u>3,386,217</u>
Due after one year			
Loans and borrowings	14	<u>365,404</u>	<u>404,561</u>

14 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Bank borrowings	<u>365,404</u>	<u>404,561</u>
Current loans and borrowings		
Bank borrowings	39,202	38,283
Other borrowings	<u>378,632</u>	<u>1,306,275</u>
	<u>417,834</u>	<u>1,344,558</u>

Bank borrowings

The bank loan is denominated in Sterling with a nominal interest rate of 1.88% above the Bank of England base rate, and the final instalment is due on 10 June 2025. The carrying amount at year end is £404,606 (2015 - £442,844).

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

Other borrowings

Directors current accounts with a carrying amount of £378,632 (2015 - £1,306,275) are denominated in £ Sterling with a nominal interest rate of 5%.

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

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

	2016 £	2015 £
After more than five years by instalments	<u>198,932</u>	<u>241,994</u>

ICANDY WORLD LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****15 Share capital****Allotted, called up and fully paid shares**

	No.	2016 £	No.	2015 £
Ordinary 'A' shares of £1 each	701	701	701	701
Ordinary 'B' shares of £1 each	1,034	1,034	1,034	1,034
Ordinary 'C' shares of £1 each	70	70	70	70
Ordinary 'D' shares of £1 each	300	300	300	300
	<u>2,105</u>	<u>2,105</u>	<u>2,105</u>	<u>2,105</u>

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

16 Dividends

	2016 £	2015 £
Dividends paid	<u>-</u>	<u>1,408,939</u>

17 Pension and other schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £13,607 (2015 - £12,928).

Contributions totalling £2,152 (2015 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

18 Obligations under leases**Operating leases**

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	68,864	72,503
Later than one year and not later than five years	<u>32,667</u>	<u>37,540</u>
	<u>101,531</u>	<u>110,043</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £70,847 (2015 - £24,363).

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19 Related party transactions

At 31 March 2016 the company owed B and D Appel £96,332 (2015 - £716,195) and W and N Appel £282,300 (2015 - £590,080). Interest of £27,109 (2015 - £31,389) and £23,190 (2015 - £23,829) respectively has been accrued on these loans. During the year the company credited dividends of £nil (2015 - £623,298) each to the directors' accounts of B Appel and W Appel. Dividends of £nil (2015 - £46,000) each were also credited to loan accounts for the benefit of D Appel and N Appel.

At 31 March 2016 iCandy America Inc owed the company £1,021,419 (2015 - £1,021,419) in respect of purchases to date and loans advanced; a provision of £1,021,419 (2015 - £988,177) has been made against estimated irrecoverable amounts. iCandy America Inc is a company controlled by B Appel and W Appel.

Narrative Column

20 Transition to FRS 102

On the first adoption of FRS102 the comparative balance sheets for 31 March 2014 and 2015 have been restated to include a deferred tax liability in relation to the tax on historic capital gains that have been rolled over. The impact on the 31 March 2014 and 2015 balance sheets are noted below. There was no impact on the profit and loss account as reported for the year ended 31 March 2015.

Balance Sheet at 1 April 2014

Note	As originally reported £	Remeasurement £	As restated £
Fixed assets			
Tangible assets	2,504,469	-	2,504,469
Current assets			
Stocks	2,298,048	-	2,298,048
Debtors	948,344	(40,000)	908,344
Cash at bank and in hand	1,634,002	-	1,634,002
	<u>4,880,394</u>	<u>(40,000)</u>	<u>4,840,394</u>
Creditors: Amounts falling due within one year	<u>(2,723,473)</u>	<u>-</u>	<u>(2,723,473)</u>
Net current assets/(liabilities)	<u>2,156,921</u>	<u>(40,000)</u>	<u>2,116,921</u>
Total assets less current liabilities	4,661,390	(40,000)	4,621,390
Creditors: Amounts falling due after more than one year	(442,826)	-	(442,826)
Provisions for liabilities	87,774	-	87,774
Net assets/(liabilities)	<u>4,306,338</u>	<u>(40,000)</u>	<u>4,266,338</u>
Capital and reserves			
Called up share capital	2,105	-	2,105
Capital redemption reserve	895	-	895
Retained earnings	4,303,338	40,000	4,343,338
Total equity	<u>4,306,338</u>	<u>40,000</u>	<u>4,346,338</u>

ICANDY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

20 Transition to FRS 102 (continued)

Balance Sheet at 31 March 2015

	Note	As originally reported £	Remeasurement £	As restated £
Fixed assets				
Tangible assets		2,658,554	-	2,658,554
Current assets				
Stocks		4,485,156	-	4,485,156
Debtors		1,775,651	(40,000)	1,735,651
Cash at bank and in hand		555,163	-	555,163
		<u>6,815,970</u>	<u>(40,000)</u>	<u>6,775,970</u>
Creditors: Amounts falling due within one year		<u>(3,386,217)</u>	-	<u>(3,386,217)</u>
Net current assets/(liabilities)		<u>3,429,753</u>	<u>(40,000)</u>	<u>3,389,753</u>
Total assets less current liabilities		6,088,307	(40,000)	6,048,307
Creditors: Amounts falling due after more than one year		(404,561)	-	(404,561)
Provisions for liabilities		43,764	-	43,764
Net assets/(liabilities)		<u>5,727,510</u>	<u>(40,000)</u>	<u>5,687,510</u>
Capital and reserves				
Called up share capital		2,105	-	2,105
Capital redemption reserve		895	-	895
Retained earnings		5,680,746	(40,000)	5,640,746
Total equity		<u>5,683,746</u>	<u>(40,000)</u>	<u>5,643,746</u>