

Registered number: 02057757

# **THE ENTERTAINER (AMERSHAM) LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 25 JANUARY 2020**

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr G P Grant Mrs C A Grant Mr S J Grant Mr D P Grant Mr M Campbell
<b>Company secretary</b>	Mrs C A Grant
<b>Registered number</b>	02057757
<b>Registered office</b>	Boughton Business Park Bell Lane Little Chalfont Amersham Buckinghamshire HP6 6GL
<b>Independent auditor</b>	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
<b>Consultant Surveyors</b>	Reid Rose Gregory 17 Woodstock Street Mayfair London W1C 2AJ
<b>Solicitors</b>	Taylor Walton 28 - 44 Alma Street Luton Bedfordshire LU1 2PL

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**CONTENTS**

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	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 34

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## **THE ENTERTAINER (AMERSHAM) LIMITED**

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### **STRATEGIC REPORT FOR THE PERIOD ENDED 25 JANUARY 2020**

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#### **INTRODUCTION**

The Entertainer is a toy retailer with over 170 stores in the UK, a very active online business, and a growing international presence. On 22nd March 2019 the Group acquired the Early Learning Centre (ELC) from Mothercare PLC and subsequently integrated the international, UK and online business into The Entertainer.

#### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

2019 was a disappointing year for the industry with sales being adversely affected by Brexit fears and the late December election impacting demand in the key trading month of the year. In addition to this there were no key toy crazes in the year compared to a record performance the prior year driven by the LOL doll craze.

Against this backdrop the business achieved sales growth of +9.6% year-on-year, driven by the addition of 10 stores to the store portfolio as well as the refurbishment/relocation of 3 stores. The successful concession business also continued to expand with another 44 locations opened.

Following the group acquisition of the Early Learning Centre (ELC) on 22nd March 2019, The Entertainer integrated the International trade within the business, whilst also continuing to trade within Mothercare stores in the UK and online. The Mothercare business went into administration in November 2019 and the business ceased trading in the Mothercare stores in January 2020. The ELC brand has continued to trade well online, within The Entertainer store estate and through its international partners. In June 2020, the first new ELC concept shop-in-shop was launched in the newly refurbished Birmingham Bullring Entertainer store.

The impact of the ELC acquisition has enabled the business to increase its international presence, ending the 2019/20 financial year trading in 38 countries outside of the UK with 522 international stores in total across The Entertainer and ELC brands.

Profit before tax for the period was down by 28.6% on the prior year driven by the challenging high street conditions and lack of any key toy crazes, additional costs incurred as we invest in new channels and the costs associated with integrating the ELC business to ensure a successful platform for growth for future years.

On 30th January 2020 the World Health Organisation declared a Public Health Emergency in regard to the Covid-19 outbreak. It declared a pandemic on 11 March 2020. This pandemic has had a huge impact on the wider retail market, however since the beginning of the pandemic the UK toy market has proved resilient.

The Entertainer stores were closed for 12 weeks due to the lockdown and during that time internet sales were up as an offset. Significant work has been carried out to accelerate the businesses web capability and permanently increase fulfilment capacity to enable the business to weather any potential future lockdowns.

As well as a focus on trading all parts of the business since the start of the pandemic, the directors developed a significant list of self-help measures, including but not limited to, deferring all non-critical capital expenditure, a full review of all costs within the business and stopping all non-essential revenue expenditure, cancelling or deferring many orders and agreeing extended payment terms with our suppliers. In addition to this, the business has benefitted from government provided support including the government furlough scheme and the 12-month business rates holiday.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 25 JANUARY 2020

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#### PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, exchange rate risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The key policies are set out below.

##### **Market prices risk**

As a retailer the company manages its market prices effectively through its buying and merchandising function, ensuring appropriate prices are quoted when liaising with suppliers.

##### **Exchange rate risk**

The company is exposed to exchange rate risk through its operations, particularly through the importation of goods for resale from overseas which are usually priced in \$US. During this year the company has hedged part of this risk and continues to monitor ongoing currency movements to mitigate as much exchange rate risk as possible.

##### **Credit risk**

As a retailer the company manages its credit risk effectively through its credit control function and credit policy, ensuring appropriate checks are carried out before any credit sales are made.

##### **Liquidity risk**

Liquidity risk is managed at group level. The group ensures an appropriate level of finance is available to the company, ensuring there are sufficient funds available for operations.

##### **Interest rate risk**

Interest rate risk is managed at group level. The group ensures that the facilities in place are agreed in advance with banks, ensuring that the group is not subject to significant interest rate fluctuations.

##### **Brexit risk**

The risk from the UK leaving the EU is being managed closely by a Director led workstream working through each specific risk area and putting in place mitigating actions to effectively manage the risk.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider that the key financial performance indicators are as follows:

- Turnover has increased year on year by £19,213,000 to £218,611,000.
- Gross profit has increased by £2,944,000 to £114,024,000.
- The company had a cash balance at the period end of £17,302,000.

#### OTHER KEY PERFORMANCE INDICATORS

The directors consider that the key non financial performance indicators are as follows:

- The number of stores has increased year on year by a net 8 from 163 to 171.
- The number of employees has increased by 150 from 1,849 to 1,999.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 25 JANUARY 2020

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#### DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

##### Directors' duties

The Directors are required to act in a manner which complies with their duties as set out in the UK Companies Act 2006. In summary, Section 172 of the UK's Companies Act requires a Director of a company to act in the way he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct;
- need to act fairly between members of the company.

The following is an overview of how the Board has performed its duties in this regard during the year.

##### People

The company's employees are fundamental to the successful performance of the business. The Board receives regular updates on matters relating to its employees including feedback from engagement surveys and reports on health and safety matters. These views are considered by the Board when reviewing policies such as its remuneration and reward policy as well as being used to help reinforce the company's values and ensure the right culture is in place to fulfil the strategic needs of the business.

##### Business Relationships

In order to successfully manage its business, the company maintains strong relationships with its business partners. The business values long-term partnerships and expects its suppliers to conform to its Supplier Code of Conduct to ensure good practice across its supply base.

It engages regularly with its customers to get feedback on how it does business be it through anonymous feedback via in-store surveys or on-line through product reviews or through its social media channels.

##### Community & Environment

The company recognises that it has an important role in contributing to wider society. As part of the group it is the aim of the directors to donate 10% of group trading profits, on average over time, to a range of charitable causes.

The Board is conscious of the impact business can have on the environment and is constantly reviewing ways this impact can be reduced.

##### Shareholders

As a family owned business, the Board has regular contact with the shareholders and receives regular updates on their views which are considered when the Board makes decisions.

This report was approved by the board on 8 September 2020 and signed on its behalf.



**Mr G P Grant**  
Director

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 25 JANUARY 2020

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The directors present their report and the financial statements for the period ended 25 January 2020.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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 period. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### RESULT

The profit for the period, after taxation, amounted to £8,609,000 (2019 - £11,997,000).

#### DIRECTORS

The directors who served during the period were:

Mr G P Grant  
Mrs C A Grant  
Mr S J Grant  
Mr D P Grant  
Mr M Campbell

#### FUTURE DEVELOPMENTS

Details of the Company's future developments are included in the Strategic Report.

#### EMPLOYEE INVOLVEMENT

The company sends out regular communications to its employees via The Entertainer's intranet site, ToyTalk. All policy documents and updates are shared there, which keeps staff up to date with relevant information about the company and ensures that staff are consulted about any significant changes affecting them.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 25 JANUARY 2020

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#### DISABLED EMPLOYEES

The Company is committed to being an equal opportunities employer and to deal with all our employees, workers, suppliers, stakeholders, partners and customers in a fair non discriminatory manner.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

#### DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the Company'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.

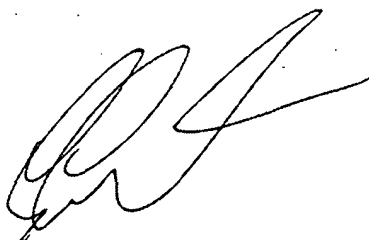
#### POST BALANCE SHEET EVENTS

On 30 January 2020, the World Health Organisation declared a Public Health Emergency regarding the Covid-19 outbreak. It declared a pandemic on 11 March 2020. This pandemic has had a huge impact on the wider retail market, however since the beginning of the pandemic the toy market has proved resilient with the business benefitting on-line to help offset lost sales from the stores during the lockdown period. Significant work has been carried out to accelerate the businesses web capability and permanently increase fulfilment capacity to enable the business to weather any potential future lockdowns.

#### AUDITOR

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

This report was approved by the board on 8 September 2020 and signed on its behalf.



**Mr G P Grant**  
Director



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## THE ENTERTAINER (AMERSHAM) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ENTERTAINER (AMERSHAM) LIMITED

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#### Opinion

We have audited the financial statements of The Entertainer (Amersham) Limited (the 'Company') for the period ended 25 January 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 January 2020 and of its profit for the period 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

#### 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

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ENTERTAINER (AMERSHAM) LIMITED (CONTINUED)

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misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Strategic report and the Directors' report for the financial period 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 or the Directors' report.

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

- adequate accounting records have not been kept, 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement 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, 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.

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THE ENTERTAINER (AMERSHAM) LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ENTERTAINER (AMERSHAM) LIMITED  
(CONTINUED)

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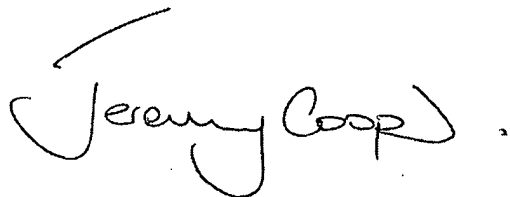
**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 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 for our audit work, for this report, or for the opinions we have formed.



Jeremy Cooper (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire  
RG1 1PL

Date: 11 September 2020

**THE ENTERTAINER (AMERSHAM) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 25 JANUARY 2020**

	Note	2020 £000	2019 £000
Turnover	4	218,611	199,398
Cost of sales		(104,587)	(88,318)
<b>Gross profit</b>		<b>114,024</b>	<b>111,080</b>
Administrative expenses		(102,830)	(93,936)
Exceptional administrative expenses	14	100	(210)
Other operating income	5	18	17
<b>Operating profit</b>	6	<b>11,312</b>	<b>16,951</b>
Donations		(156)	(1,674)
<b>Total operating profit</b>		<b>11,156</b>	<b>15,277</b>
Interest receivable and similar income	10	311	219
Interest payable and expenses	11	(471)	(89)
<b>Profit before tax</b>		<b>10,996</b>	<b>15,407</b>
Tax on profit	12	(2,387)	(3,410)
<b>Profit for the financial period</b>		<b>8,609</b>	<b>11,997</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 - £000NIL).

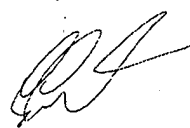
The notes on pages 12 to 34 form part of these financial statements.

**THE ENTERTAINER (AMERSHAM) LIMITED**  
**REGISTERED NUMBER: 02057757**

**BALANCE SHEET**  
**AS AT 25 JANUARY 2020**

	Note	25 January 2020 £000	26 January 2019 £000
<b>Fixed assets</b>			
Intangible assets	15	860	-
Tangible assets	16	29,639	29,879
		<u>30,499</u>	<u>29,879</u>
<b>Current assets</b>			
Stocks	18	33,061	22,205
Debtors: amounts falling due after more than one year	19	6,043	5,937
Debtors: amounts falling due within one year	19	29,339	10,493
Cash at bank and in hand	20	17,302	43,002
		<u>85,745</u>	<u>81,637</u>
Creditors: amounts falling due within one year	21	(46,720)	(46,913)
<b>Net current assets</b>		<u>39,025</u>	<u>34,724</u>
<b>Total assets less current liabilities</b>		<u>69,524</u>	<u>64,603</u>
<b>Provisions for liabilities</b>			
Deferred tax	23	(486)	(346)
		<u>(486)</u>	<u>(346)</u>
Accruals and deferred income	24	(23,543)	(25,971)
<b>Net assets</b>		<u>45,495</u>	<u>38,286</u>
<b>Capital and reserves</b>			
Called up share capital	25	10	10
Profit and loss account		45,485	38,276
		<u>45,495</u>	<u>38,286</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 September 2020.



**Mr G P Grant**  
Director

The notes on pages 12 to 34 form part of these financial statements.

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 25 JANUARY 2020**

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	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 28 January 2018</b>	<b>10</b>	<b>32,350</b>	<b>32,360</b>
Profit for the period	-	11,997	11,997
Dividends: Equity capital	-	(6,071)	(6,071)
<b>At 27 January 2019</b>	<b>10</b>	<b>38,276</b>	<b>38,286</b>
Profit for the period	-	8,609	8,609
Dividends: Equity capital	-	(1,400)	(1,400)
<b>At 25 January 2020</b>	<b>10</b>	<b>45,485</b>	<b>45,495</b>

The notes on pages 12 to 34 form part of these financial statements.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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#### 1. GENERAL INFORMATION

The Entertainer (Amersham) Limited operates in the retailing and importing of toys and games, trading as 'The Entertainer'.

The company is a private limited company (registered number 02057757), which is incorporated in the UK. The address of the registered office is Boughton Business Park, Bell Lane, Little Chalfont, Amersham, Buckinghamshire, HP6 6GL.

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

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

##### 2.2 Going concern

The financial statements have been prepared on a going concern basis. In forming their conclusion, the directors have reviewed the performance of the business during the lockdown period and have considered the extent to which the observed level of trading could influence the forecast over the period to January 2022 as well as considering the mitigating actions taken across the business to preserve liquidity and ensure compliance with the group's financial covenants.

The Covid-19 pandemic has had a huge impact on the wider retail market, however since the beginning of the pandemic the UK toy market has proved to be resilient.

The Entertainer stores were closed for 12 weeks due to the lockdown and during that time internet sales were up significantly as a partial offset. Extensive work has been carried out to accelerate the businesses web capability and permanently increase fulfilment capacity to enable the business to weather any potential future local store lockdowns.

As well as a focus on trading all parts of the business since the start of the pandemic, the directors developed a significant list of self-help measures, including but not limited to, deferring all non-critical capital expenditure, a full review of all costs within the business and stopping all non-essential revenue expenditure, cancelling or deferring many orders and agreeing extended payment terms with suppliers. In addition to this, the business has benefitted from government provided support including the government furlough scheme and the 12-month business rates holiday.

The directors have reviewed future cash forecasts and profit projections. With the uncertainty created by the Covid-19 pandemic the projections have been sensitised to look at the impact of potential future disruption.

The businesses day-to-day capital requirements are managed at a group level. The group has banking facilities in place with a 3-year revolving credit facility effective from March 2019. In addition to this the group has put in place an additional revolving credit facility, via the Government backed CLBILS scheme, as well as agreeing relaxed covenant conditions for the remainder of 2020.

The long-term impact of Covid-19 is uncertain and should the impacts of the pandemic on trading conditions be more prolonged or severe than what the Directors consider to be reasonably possible, the Group would need to implement additional operational and financial measures.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Revenue

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

#### Sale of goods

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

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

Sales to international franchise partners are recognised on the transfer of control, which is on dispatch.

Royalty revenue is recognised on an accruals basis in accordance with the substance of the relevant agreement (provided that control of goods has been transferred and consideration is unconditional). Royalty arrangements are based on sales and other measures are recognised by reference to the underlying arrangement.

### 2.4 Intangible assets

#### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life, which the directors consider to be 10 years.

#### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All other intangible assets are considered to have a finite useful life. Amortisation is charged on a straight line basis to the statement of comprehensive income over its useful economic life, which the directors consider to be 10 years.



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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on both a straight line and reducing balance basis.

Depreciation is provided on the following basis:

Leasehold property	- over the lease term
Motor vehicles	- reducing balance 25%
Fixtures & fittings	- straight line 10%-25%, reducing balance 15%
Computer software	- straight line 10%-25%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

### 2.7 Debtors

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

### 2.8 Cash and cash equivalents

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

### 2.9 Financial instruments

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

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.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.9 Financial instruments (continued)

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

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. Changes in the fair value of derivatives are recognised as a profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

### 2.10 Creditors

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

### 2.11 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.

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

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

### 2.12 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.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### 2.14 Operating leases: the Company as a lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the entire lease period.

### 2.15 Pensions

Defined contribution pension plan

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

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

### 2.16 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

### 2.17 Provisions for liabilities

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

Provisions are charged as an expense to the statement of comprehensive income in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.18 Current and deferred taxation

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

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

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

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

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

### 2.19 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.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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#### 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results in the future may differ from estimates upon which financial information has been prepared. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if these are also affected. The estimates and assumptions that affect the current period or have a significant risk of causing a material adjustment within the next financial period are discussed below:

##### **Provision for old or obsolete stocks**

Stock is stated at the lower of cost and net realisable value (NRV). The determination of a provision for stock write down to NRV requires management to exercise judgement in identifying slow-moving and obsolete stock and make estimates of the provision required. The quantity, age and condition of stock is regularly measured and assessed as part of the stock counts undertaken throughout the financial period. The carrying amount of stock at the end of the reporting period is disclosed in Note 18 of the financial statements.

##### **Provisions for non-redemption of gift cards**

Included within accruals are liabilities in respect of unredeemed gift cards less an estimated non-use adjustment on liabilities for cards to recognise the proportion of those outstanding vouchers that will never be redeemed. This estimate is based on past performance, along with management's assessment as to the likely redemption of these vouchers, and is considered a key estimate within these financial statements.

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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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4. **TURNOVER**

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

	2020 £000	2019 £000
Retail of toys and games	218,611	199,398
	<u>218,611</u>	<u>199,398</u>

Sales to international franchise partners and royalty revenue is included within the retail of toys and games class of business.

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	200,931	192,335
Rest of Europe	14,679	5,154
Rest of the world	3,001	1,909
	<u>218,611</u>	<u>199,398</u>

5. **OTHER OPERATING INCOME**

	2020 £000	2019 £000
Net rents receivable	18	17
	<u>18</u>	<u>17</u>

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	5,764	5,294
Amortisation of intangible fixed assets	7	-
Exchange differences	(2,088)	(2,984)
Defined contribution pension cost	1,236	1,019
	<u>1,236</u>	<u>1,019</u>

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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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7. AUDITOR'S REMUNERATION

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	65	61
	<u>65</u>	<u>61</u>
<b>FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:</b>		
Other services relating to taxation	15	12
All other services	8	8
	<u>23</u>	<u>20</u>

8. EMPLOYEES

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

	2020 £000	2019 £000
Wages and salaries	32,626	30,318
Social security costs	2,090	1,923
Cost of defined contribution scheme	1,236	1,034
	<u>35,952</u>	<u>33,275</u>

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

	2020 No.	2019 No.
Administration staff	227	175
Shop staff	1,749	1,649
Warehouse and distribution staff	23	25
	<u>1,999</u>	<u>1,849</u>

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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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9. DIRECTORS' REMUNERATION

	2020 £000	2019 £000
Directors' emoluments	780	976
Company contributions to defined contribution pension schemes	40	39
	<u>820</u>	<u>1,015</u>

During the period retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £258,000 (2019 - £334,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9 thousand (2019 - £NIL).

10. INTEREST RECEIVABLE

	25 January 2020 £000	26 January 2019 £000
Bank interest receivable	6	16
Other interest receivable	305	203
	<u>311</u>	<u>219</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £000	2019 £000
Bank interest payable	408	29
Other loan interest payable	63	58
Finance leases and hire purchase contracts	-	2
	<u>471</u>	<u>89</u>



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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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12. TAXATION

	2020 £000	2019 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the period	2,258	3,432
Adjustments in respect of previous periods	(11)	(19)
<b>TOTAL CURRENT TAX</b>	<u>2,247</u>	<u>3,413</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	141	(3)
Adjustments in respect of previous periods	(1)	-
<b>TOTAL DEFERRED TAX</b>	<u>140</u>	<u>(3)</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>2,387</u>	<u>3,410</u>

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020**

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**12. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax assessed for the year is higher than *(2019 - higher than)* the standard rate of corporation tax in the UK of 19.00% *(2019 - 19.00%)*. The differences are explained below:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<b>10,997</b>	<b>15,407</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	<b>2,089</b>	<b>2,927</b>
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>4</b>	<b>31</b>
Capital allowances for period in excess of depreciation	<b>334</b>	<b>272</b>
Adjustments to tax charge in respect of prior periods	<b>(12)</b>	<b>(19)</b>
Short term timing difference leading to an increase (decrease) in taxation	<b>-</b>	<b>52</b>
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	<b>(141)</b>	<b>13</b>
Adjustment to closing rate of deferred tax	<b>113</b>	<b>134</b>
Group relief	<b>(195)</b>	<b>(150)</b>
Payment made for group relief	<b>195</b>	<b>150</b>
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<b>2,387</b>	<b>3,410</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**13. DIVIDENDS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Dividends paid	<b>1,400</b>	<b>6,071</b>
	<b>1,400</b>	<b>6,071</b>

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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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14. EXCEPTIONAL ITEMS

	2020 £000	2019 £000
Exceptional items - legal costs	(100)	210
	<u>(100)</u>	<u>210</u>

15. INTANGIBLE ASSETS

	Goodwill £000
<b>COST</b>	
Additions	867
At 25 January 2020	<u>867</u>
<b>AMORTISATION</b>	
Charge for the period	7
At 25 January 2020	<u>7</u>
<b>NET BOOK VALUE</b>	
At 25 January 2020	<u>860</u>
At 26 January 2019	<u>-</u>

The goodwill arose on the acquisition of certain trade and assets from Mr G P Grant & Mrs C A Grant on 20 January 2020.

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020**

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**16. TANGIBLE FIXED ASSETS**

	Short Term Leasehold Property £000	Motor vehicles £000	Fixtures & fittings £000	Computer equipment £000	Total £000
<b>COST OR VALUATION</b>					
At 27 January 2019	46,878	219	12,713	4,968	64,778
Additions	3,908	25	380	1,211	5,524
At 25 January 2020	50,786	244	13,093	6,179	70,302
<b>DEPRECIATION</b>					
At 27 January 2019	21,399	215	10,559	2,726	34,899
Charge for the period on owned assets	4,451	1	529	783	5,764
At 25 January 2020	25,850	216	11,088	3,509	40,663
<b>NET BOOK VALUE</b>					
At 25 January 2020	24,936	28	2,005	2,670	29,639
At 26 January 2019	25,479	3	2,155	2,242	29,879

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020**

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**17. FIXED ASSET INVESTMENTS**

**SUBSIDIARY UNDERTAKING**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
The Entertainer Limited (formerly TEAL Toys Limited)	Boughton Business Park, Bell Lane, Little Chalfont Amersham, Bucks, England, HP6 6GL	Dormant	Ordinary	100%

**18. STOCKS**

	<b>25 January 2020 £000</b>	<b>26 January 2019 £000</b>
Finished goods and goods for resale	<b>33,061</b>	<b>22,205</b>
	<b>33,061</b>	<b>22,205</b>

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020**

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**19. DEBTORS**

	<b>25 January 2020 £000</b>	<i>26 January 2019 £000</i>
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Other debtors	6,043	5,937
	<u>6,043</u>	<u>5,937</u>
	<b>25 January 2020 £000</b>	<i>26 January 2019 £000</i>
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	2,492	1,494
Amounts owed by group undertakings	13,950	2,880
Other debtors	807	327
Prepayments and accrued income	12,090	5,792
	<u>29,339</u>	<u>10,493</u>

**20. CASH AND CASH EQUIVALENTS**

	<b>25 January 2020 £000</b>	<i>26 January 2019 £000</i>
Cash at bank and in hand	17,302	43,002
	<u>17,302</u>	<u>43,002</u>

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**THE ENTERTAINER (AMERSHAM) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020**

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**21. CREDITORS: Amounts falling due within one year**

	<b>25 January 2020 £000</b>	<b>26 January 2019 £000</b>
Trade creditors	<b>30,271</b>	<b>28,674</b>
Corporation tax	<b>1,115</b>	<b>1,833</b>
Other taxation and social security	<b>9,776</b>	<b>11,710</b>
Other creditors	<b>5,558</b>	<b>4,696</b>
	<b>46,720</b>	<b>46,913</b>

The bank facilities are secured by a cross-guarantee supported by a debenture creating a fixed and floating charge over the assets of TEAL Group Holdings Limited, The Entertainer (Amersham) Limited, The Entertainer International Limited and TEAL Brands Limited. The balance drawn on these facilities at the period end was £nil (2019: £nil).

Included in the Other creditors balance above, £179k (2019: £119k) relates to the pension amounts due.

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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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22. FINANCIAL INSTRUMENTS

	25 January 2020 £000	26 January 2019 £000
<b>FINANCIAL ASSETS</b>		
Other financial assets measured at fair value through profit or loss	-	81
Financial assets measured at amortised cost	38,426	15,251
	<u>38,426</u>	<u>15,332</u>
<b>FINANCIAL LIABILITIES</b>		
Other financial liabilities measured at fair value through profit or loss	(164)	-
Financial liabilities measured at amortised cost	(72,299)	(64,036)
	<u>(72,463)</u>	<u>(64,036)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditor balances, amounts owed to group undertakings, other creditors, accruals and net obligations under finance lease and hire purchase contracts.

At the year end the company had entered into a number of forward foreign exchange contracts to purchase \$US. These were entered into in order to hedge against future purchases of stock bought in \$US. At the year end these contracts had a fair value of £164,000 (2019: £81,000 asset). This gain/loss on fair value has been recognised in the Statement of comprehensive income in the period.



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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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23. DEFERRED TAXATION

	2020 £000
At beginning of period	(346)
Charged to profit or loss	(140)
<b>AT END OF YEAR</b>	<b>(486)</b>

The provision for deferred taxation is made up as follows:

	25 January 2020 £000	26 January 2019 £000
Fixed asset timing difference	(1,038)	(1,030)
Short term timing difference	31	53
Losses and other deductions	522	631
	<b>(485)</b>	<b>(346)</b>

24. ACCRUALS AND DEFERRED INCOME

	25 January 2020 £000	26 January 2019 £000
Amounts falling due within one year	9,123	11,338
Amounts falling due after one year	14,420	14,633
	<b>23,543</b>	<b>25,971</b>

Accruals and deferred income mainly relate to reverse premiums in respect of property leases, and which are released over the life of the lease.

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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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25. SHARE CAPITAL

	25 January 2020 £000	26 January 2019 £000
<b>Allotted, called up and fully paid</b>		
10,000 (2019 - 10,000) Ordinary shares of £1.00 each	10	10
2 (2019 - 2) B Ordinary shares of £1.00 each	-	-
16 (2019 - 16) A Ordinary shares of £1.00 each	-	-
	<u>10</u>	<u>10</u>

There are no differences in the rights in the company with respect to voting, dividends and distributions across the different class of shares.

26. CAPITAL COMMITMENTS

At 25 January 2020 the Company had capital commitments as follows:

	25 January 2020 £000	26 January 2019 £000
Contracted for but not provided in these financial statements	904	432
	<u>904</u>	<u>432</u>

27. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,236,000 (2019: £972,000).

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THE ENTERTAINER (AMERSHAM) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 25 JANUARY 2020

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28. COMMITMENTS UNDER OPERATING LEASES

At 25 January 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	25 January 2020 £000	26 January 2019 £000
<b>Land and Buildings</b>		
Not later than 1 year	16,249	15,790
Later than 1 year and not later than 5 years	51,211	51,272
Later than 5 years	34,759	38,217
	<u>102,219</u>	<u>105,279</u>
	25 January 2020 £000	26 January 2019 £000
<b>Other operating leases</b>		
Not later than 1 year	254	303
Later than 1 year and not later than 5 years	348	579
Later than 5 years	32	89
	<u>634</u>	<u>971</u>

Operating lease charges totalling £16,835,000 (2019: £15,270,000) were expensed during the period.

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## THE ENTERTAINER (AMERSHAM) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020

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#### 29. RELATED PARTY TRANSACTIONS

During the period the company purchased certain trade and assets from a Partnership in which two of the shareholders are principals for £988,494.

During the period the company sold goods to a Partnership, in which two of the shareholders are the principals, for £864,900 (2019: £1,147,542) and recharged expenses totalling £86,877 (2019: £189,170). Amounts will be repaid within normal agreed credit terms. As at 25 January 2020 there was an amount due from this partnership in respect of these transactions of £1,759 (2019: £662,184).

The company operates from two properties which are owned by a pension scheme, of which one of the shareholders is a trustee and beneficiary. The rent charged in the period for the use of these properties amounted to £114,000 (2019: £114,000). At the balance sheet date the company had future minimum lease payments under non-cancellable operating leases in respect of these properties of £445,000 (2019: £559,000).

Some of the properties from which the company operates are owned personally by three of the shareholders. The rent charged in the period for the use of these properties amounted to £789,660 (2019: £789,660). At the balance sheet date the company had future minimum lease payments under non-cancellable operating leases in respect of these properties of £2,259,100 (2019: £3,134,185).

The company operates from two properties which are owned by a pension scheme in which four of the shareholders are beneficiaries. The rent charged in the period for the use of these properties amounted to £80,000 (2019: £170,000). In respect of the properties there are future minimum lease payments under non-cancellable operating leases of £400,000 (2019: £615,000). During the year ended 27 January 2018 the company entered into a loan agreement with this pension scheme. At the year end there was an outstanding loan due from the scheme of £700,000 (2019: £90,000). This loan attracts interest of 2.75% above base, and is repayable by 31 December 2020. A total of £297 was charged for 2020.

During the period, the company made donations to a charity in which two of the directors are trustees totalling £nil- (2019: £230,000).

During the period, the company made donations to a charity in which certain of the directors are trustees totalling £nil- (2019: £790,000).

During the period, the company made a transfer of £106,076 (2019: £3,397,412) to a company which has the same shareholders as TEAL Group Holdings Limited, the ultimate parent company of The Entertainer (Amersham) Limited. The balance outstanding at the year end is £6,043,488 (2019: £5,937,412). Interest is charged on this loan at 2.25%. During the period rent charged by this company to The Entertainer (Amersham) Limited totalled £781,279 (2019: £589,424).

In addition to directors remuneration, amounts of £1,728,439 (2019: £1,382,922) were paid to key management personnel during the year.

As at the year end, £887,606 (2019: £750,000) was owed to directors or family members of the directors. Where interest has been charged this was at a rate of 2.5% for February 2019 to April 2019, 5% until November 2019 and 2.5% until the year end. During the year a total of £42,723 (2019: £37,162) interest was charged, with accrued loan interest of £nil recognised within creditors at the year end (2019: £15,414).

The company has taken advantage of the exemptions allowed by FRS102, not to disclose transactions with related party undertakings which are 100% owned by the group.

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## **THE ENTERTAINER (AMERSHAM) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 JANUARY 2020**

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#### **30. POST BALANCE SHEET EVENTS**

On 30 January 2020, the World Health Organisation declared a Public Health Emergency regarding the Covid-19 outbreak. It declared a pandemic on 11 March 2020. This pandemic has had a huge impact on the wider retail market, however since the beginning of the pandemic the toy market has proved resilient with the business benefitting on-line to help offset lost sales from the stores during the lockdown period. Significant work has been carried out to accelerate the businesses web capability and permanently increase fulfilment capacity to enable the business to weather any potential future local store lockdowns.

#### **31. CONTROLLING PARTY**

The immediate parent company of the The Entertainer (Amersham) Limited is TEAL Group Holdings Limited by virtue of its 100% shareholding, where TEAL Group Holdings Limited is incorporated in the UK, with registered office Boughton Business Park, Bell Lane, Little Chalfont, Bucks, England. The consolidated financial statements are publicly available.

Throughout the period, the ultimate controlling party is considered to be Mr G P Grant and Mrs C A Grant, by virtue of their majority shareholding in TEAL Group Holdings Limited.