The Disney Store Limited
(Registered Number 02523767)

Directors' report and financial statements
For the year ended 2 October 2021

The Disney Store Limited

Contents

The Disney Store Limited

Strategic report for the year ended 2 October 2021

The Directors present their Strategic report of The Disney Store Limited (the 'Company') for the year ended 2 October 2021 (prior financial year ended 3 October 2020).

Principal activities, business review and future developments

The Company's principal activity during the year was the speciality retail of Disney merchandise. These activities are expected to continue for the foreseeable future.

Sales decreased year on year due to adverse trading conditions in our stores caused by the impact of the reduction of our physical stores. The Company was also impacted by the COVID-19 pandemic in both the current and previous financial year.

The profit for the financial year amounted to £7,442,707 (2020: £3,257,797). The Directors are satisfied with the performance of the Company. The Directors do not recommend that a dividend be paid for the year ended 2 October 2021 (2020: £nil). No dividends were received by the Company during the year (2020: £1,991). The Company ended the financial year with net assets of £45,230,526 (2020: £37,787,819).

During 2021, the carrying value of the Company's investment in The Disney Store (Germany) GmbH was impaired in full as a result of impairment indicators identified during management's review.

In response to consumer behaviour shifting to online shopping and our commitment to meeting consumers where they are spending their time, a decision has been made to focus on our online business and significantly reduce our physical stores leaving one store open by the end of October 2021.

COVID-19 Pandemic

The first cases of COVID-19 in the UK were reported in January 2020. This viral infection was declared a pandemic by the World Health Organisation on 11 March 2020 resulting from the significant number of cases across the world.

Our business has been affected in a number of ways as government restrictions enforced our stores to temporarily close similar to those seen in the previous financial year. Our physical stores were temporarily closed on 5 November 2020 for four weeks in-line with UK government restrictions. England re-entered a national lockdown on 4 January 2021 and the stores were closed until 12 April 2021 when non-essential retail was permitted to reopen. Other UK nations re-entered lockdowns during winter 2021 and our retail stores were closed accordingly during that time. During the year, all but two of our stores were permanently closed (another one permanently closed in October 2021) with the remaining stores opened with limited capacity, we also paused in-store events. The loss of in-store revenue during this period was partially offset by lower cost of goods sold, and higher online revenues. In addition in some cases we negotiated rent holidays and have taken benefit from the business rates relief granted by the government for all our stores. We have incurred and will continue to incur additional expenses to ensure the safety of our Cast Members and Guests and to comply with government regulations. These expenses include additional cleaning, purchases of personal protective equipment for Cast Members, hand sanitiser purchases and enhanced in-store signage, amongst other items.

We have taken a number of mitigation efforts in response to the COVID-19 financial disruption on our business. We have suspended certain capital projects; reduced certain discretionary expenditures (such as spending on marketing); temporarily reduced management compensation; furloughed certain of our Cast Members. Most of whom have returned as stores have re-opened.

The impact of these disruptions and the extent of their adverse impact on our financial and operating results will be dictated by a combination of the unforeseeable length of time that such disruptions continue, the effect of additional governmental actions imposed in response to COVID-19 and the risk tolerance of individuals and companies to health matters moving forward.

The Disney Store Limited

Strategic report for the year ended 2 October 2021 (continued)

COVID-19 Pandemic (continued)

As the situation continues to evolve, the Directors continue to monitor closely by way of ongoing risk assessments and revised financial projections for the business. Since April 2021, all stores have remained open and are performing in line with financial projections.

Going concern

The Directors have assessed the liquidity requirements for the Company for at least the next 12 months from the date of approval of these financial statements. This assessment includes consideration of the current economic condition and pressures on the retail sector. They intend to manage their working capital needs on a day to day basis through the use of intercompany cash pooling arrangements as well as realising existing net current assets. The Directors have received assurance of continued financial support from an appropriate Disney group company, in the form of a letter of support, for at least the next 12 months from the date of these financial statements. On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is also well placed to manage its business risks and they have a reasonable expectation the Company has adequate resources to continue their operations for the foreseeable future. As a result, management have prepared the financial statements on a going concern basis.

Principal risks and uncertainties

From the perspective of the Company, its principal risks and uncertainties and future outlook are integrated with those of The Walt Disney Company ('Group') and are not managed separately. Accordingly, the risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's annual report which does not form part of this report. However, the Directors view the following as being the principal risks facing the Company:

(i) Our sales may be adversely affected by changes in economic factors, pandemics, political uncertainty and changes in consumer spending patterns
Many economic and other factors outside our control, including consumer confidence, consumer spending levels, impacts of pandemics, seasonality, political uncertainty, employment levels, consumer debt levels, inflation and deflation, as well as the availability of consumer credit, affect consumer spending habits. A significant deterioration in the global financial markets and economic environment, recessions or an uncertain economic outlook adversely affects consumer spending habits and results in lower levels of economic activity. Any of these events and factors could cause consumers to curtail spending and could have a negative impact on our financial performance and position in future financial years.

(ii) Our industry is highly competitive and competitive conditions may adversely affect our revenues and overall profitability
The retail industry is highly and increasingly competitive and our results of operations are sensitive to, and may be adversely affected by, competitive pricing, promotional pressures, competitor store openings and other factors. As a speciality retailer, we compete with national chains and department stores, local retailers in the market areas we operate and Internet retailers. Competition is principally based on product variety, price, quality, availability, advertising and promotion, convenience or store location, safety and customer support and service.

To mitigate these risks our product range, pricing, physical store locations and online sales channels are continually reviewed to ensure we remain competitive within our industry.

(iii) Store Locations
As a normal part of doing business, we constantly evaluate our Disney Store portfolio to ensure we are in the right locations and able to provide magical experiences for our guests. During the year, the risks associated with the Company's physical locations were mitigated by significantly reducing our physical stores

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Strategic report for the year ended 2 October 2021 (continued)

Principal risks and uncertainties (continued)

(iii) Store Locations (continued)

leaving one store open by the end of October 2021.

(iv) Protection of electronically stored data is costly and if our data is compromised in spite of this protection, we may incur additional costs, lost opportunities and damage to our reputation.
We maintain information necessary to conduct our business, including confidential and proprietary information, in digital form. Data maintained in digital form is subject to the risk of unauthorized access, modification and exfiltration. We develop and maintain information security systems in an effort to prevent this however, despite our efforts, unauthorized access, modification and exfiltration of data cannot be eliminated entirely, and the risks associated with a potentially material incident remain. If our information security systems or data are compromised in a material way, our ability to conduct our business may be impaired, we may lose profitable opportunities or the value of those opportunities may be diminished.

(v) Brexit
The United Kingdom formally left the European Union on 31 January 2020. A trade and cooperation agreement was reached between UK and EU negotiators on 24 December 2020 and ratified by the UK Parliament on 30 December 2020. As a result full customs clearance must now be completed and VAT and Duties paid on all shipments. Outbound shipments incur additional administration fees. To date we have not seen any delays with goods leaving the UK via the border controls now in place but there is potential for future risks of shipping delays and increased costs, however this is currently hard to predict. There has been no impact on corporate taxation policy.

Key performance indicators ("KPIs")

The Company's key performance indicators are as follows:

Measure	Description	2021 £'000	2020 £'000
Turnover	Total sales for the financial period	100,874	105,510
(Loss)/Profit	Overall (loss)/profit for the financial year	7,443	3,258

The decrease in turnover is mainly driven by the closure of the majority of the bricks and mortar stores during the financial year. The increase in profit for the year is driven by the fall in costs of sales as a result of the closure of the bricks and mortar stores.

Section 172 statement

As an indirect subsidiary of The Walt Disney Company, the Company is subject to organisational and management systems which enable the Board of Directors ("the Board") to oversee governance of the activities of the Company. As is normal for large companies, the Board delegates authority for day-to-day management to the managers responsible for the management of the Company. The Board ensures that when applying group policies and delegating responsibility for operational matters to the managers, it does so with due regard to its fiduciary duties and responsibilities.

The Directors of the Company are aware of their duty under section 172 of the Companies Act 2006 to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so they have considered (amongst other matters) factors (a) to (f) listed below:

(a) the likely consequences of any decision in the long term,

Section 172 statement (continued)

(b) the interests of the Company's employees (known as "Cast Members"),
(c) the need to foster the Company's business relationships with suppliers, customers (known as "guests") and others,
(d) the impact of the Company's operations on the community and the environment,
(e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly between members of the Company.

We have detailed below how, throughout the financial year ending 2 October 2021 ("the Year") each of these factors have been considered by the Board.

a. The likely consequences of any decision in the long term

The Board are aware that their decisions and strategies can have long-term effects on the success of the Company's business and on its stakeholders. They aim to make well-informed decisions whilst being mindful of impacts on its stakeholders. The key stakeholders of the Company include both its member and suppliers, guests, community and Cast Members. Some of the decisions the Board has taken during the course of the year are set out below and show how the decisions have been made both with a view to creating long term success for the Company and taking into consideration the impact on its stakeholders.

During the year, in adherence with government guidelines, store locations were temporarily closed due to the COVID-19 pandemic. When the store locations were reopened the Company put in place strict guidelines to ensure the safety of both its Cast Members, suppliers, service providers and guests.

The Company is focusing on the continued growth of its online presence through both the online store, ShopDisney, and its presence on third party reputable sites. The Company is working on a refresh of ShopDisney to provide a more seamless, personalised and a franchise-focused e-commerce experience, which will be complemented by greater integration with social media platforms. The approach will provide guests with new entry points to ShopDisney, whilst ensuring storytelling remains at the heart of the shopping experience.

The Company's decision to develop the e-commerce experience for guests and increase its online product range reflects its aim to adapt its business to align with changes in consumer preferences, economic and market conditions and advances in technology, in order to remain competitive and satisfy the needs of its guests.

Following a thorough evaluation of the bricks and mortar stores portfolio, the Company closed all but two of its store locations during the year. In October 2021 one additional store was closed leaving only the flagship store on London's Oxford Street open. This difficult decision was made by the Company to ensure the long term success of the Company and focus on growing the e-commerce business. The Company continues to comply with its legal obligations with regards to its Cast Members whose employment has been affected.

b. The interests of the Company's employees (known as "Cast Members")

The Company strives to provide a safe working environment, a diverse and inclusive culture and ensure adherence to all relevant Disney HR policies and processes for its Cast Members.

The health and safety of its Cast Members is a priority. Health and Safety policies already in place were significantly enhanced as a result of the COVID-19 pandemic and additional health and safety training was provided to Cast Members to ensure a safe environment for both Cast Members and guests and to fully comply with government regulations. For more detail, please see pages 3 and 4.The health and safety measures in the distribution centre were also enhanced and the centre continued to function safely throughout this financial year.

The Disney Store Limited

Strategic report for the year ended 2 October 2021 (continued)

Section 172 statement (continued)

b. The interests of the Company's employees (known as "Cast Members") (continued)

In addition to a comprehensive benefits program, the Company also offers Health and Wellness support to its Cast Members. For example, a wellbeing hub with a large variety of resources available to Cast Members in the UK & Ireland. Some examples of those resources are the following:

- **Disney's Employee Assistance Program**: offers free confidential advice on both professional and personal matters all year round, at any time of the day.
- **Mental Health First Aiders**: provides mental health support for Cast Members, helping to signpost them to tailored mental health support as needed.
- **T.R.U.S.T (an affinity group celebrating positive wellbeing and mental health)**: empowers all Cast Members to Talk, Recognise, Understand and Support, creating a workplace where all Cast Members can Triumph.

The Group has an ongoing commitment to progress diversity, equity and inclusion ("DE&I"). The Group's Reimagine Tomorrow endeavour ensures a consistent focus on inclusion and transparency which has inspired leaders across the Company to make diversity, equity, and inclusion a priority across their teams supported by the six-pillar framework: Transparency, Representation, Accountability, Community, Content, and Culture.

From a culture perspective, the Business Employee Resource Groups (BERGs) are voluntary, employee-led groups formed around shared identity, interests and pursuits. The following BERGs are active in the UK:

- **Disney PRIDE**: Advocates, celebrates, and educates on behalf of all LGBTQIA and ally employees, fostering a culture of authenticity and inclusivity across the company.
- **Disney DIVERSITY**: Educating and celebrating ethnic and cultural diversity.
- **WOMEN@Disney**: Equips and motivates Women at Disney to build impactful careers.
- **ENABLED**: Committed to supporting disability and neurodiversity awareness across the Company.

c. The need to foster the Company's business relationships with suppliers, service providers, guests and others

The Company prides itself on delivering exceptional service and high-quality products to its guests facilitated, inter-alia, by its strong relationships with its suppliers and service providers.

Suppliers/service providers

The Company has high standards for its service providers and has a thorough tender process designed to obtain the best quality, service and value. The Company adheres to: (i) the Disney International Labour Standards Program which seeks to foster safe, inclusive, and respectful workplaces wherever Disney-branded products are made; (ii) UK government regulations such as UK Modern Slavery Act 2015.

Guests

The Company's continued growth of its online presence and the development of its e-commerce platform will provide a more seamless and personalised guest experience with improved ease of use, access to increased product ranges and an integrated social media experience. Guest feedback is valued and implemented. The online store has a dedicated page to allow guests to provide feedback on the products. Sales data and guest feedback influences the Company's decisions on future products, stock purchasing, relationships with other brands as well as the growth and structure of its business.

Section 172 statement (continued)

d. The impact of the Company's operations on the community and the environment

Community

The Group's global Social Responsibility framework clarifies its mission as: "to be an honorable company that provides comfort to those in need and creates inspiration and opportunity for those who want to improve their world."

The Company achieves this in a number of ways including **Social Purpose** (building emotional resilience by together, creating moments that matter) and being a **Responsible Business** (investing in the health and well being of people and the planet). The following are specific examples:

- The award-winning **From Our Family to Yours Seasonal Campaign** where the Make-A-Wish foundation ("Make-a-Wish") benefited from a donation from the sales at Disney Stores and ShopDisney of a vintage inspired Mickey Mouse soft toy.
- **The Wishes Come True Blue Colour Collection** which commemorated 40 years of Disney and Make-a-Wish working together where product sales from the collection across Europe, the US and Canada generated a donation to Make-a-Wish affiliate organisations to help grant wishes for children.
- **Rainbow Collection** - In celebration of Pride 2021, a brand new, exclusive Disney Rainbow collection was available at ShopDisney in the UK and across Europe, which featured Disney – and for the first time ever – Pixar, Marvel and Star Wars icons and characters. As part of the Pride collection, Disney is giving funds as part of our ongoing commitment to organisations around the world that support LGBTQIA communities including, for the fourth year, the UK LGBTQIA charity Diversity Role Models.
- Despite the challenges resulting from the Covid-19 pandemic, the Company continued to support the Make-A-Wish Foundation and deliver comfort and inspiration to children with serious illnesses waiting for Disney wishes by organising and hosting virtual shopping spree experiences.
- Working with "In Kind Direct", who help distribute donated products to over 750 charities across the UK.
- The Disney VoluntEARS Programme gives Cast Members in the Stores, at Head Office and in the Distribution Centre, the opportunity to help in their local community. They can volunteer as teams or individuals and can support Disney's long-term charities such as Make-A-Wish, Together for Short Lives (including the 54 children's hospices across the UK) and MediCinema.

Environmental

The Group aims to establish and sustain a positive environmental legacy for future generations. The Company is committed to minimising its overall impact on the environment.

Our stores continued to support the transition to a multiple use bag for purchase with donations being made to Together for Short Lives and In Kind Direct. These are reasonably priced to encourage guests to participate.

The Group has set ambitious environmental goals for 2030 at a group-level. These goals focus on key areas of its business where it believes it can have a significant, lasting impact and make a positive difference in protecting the planet. We have listed some of the key long term goals of the Group below:

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Strategic report for the year ended 2 October 2021 (continued)

Section 172 statement (continued)

d. The impact of the Company's operations on the community and the environment (continued)

Environmental (continued)

- achieving net-zero greenhouse gas emissions for direct operations.
- purchasing or producing 100% zero carbon electricity for all direct operations.
- collaborating with industry groups and investing in low carbon fuel innovation.
- ensuring all branded product textiles contain recycled or certified sustainably sourced content, or are made from lower impact alternatives.
- reducing the Company's plastics footprint across all businesses.
- ensure all paper, wood and palm oil used in Disney-branded packaging and products is from certified sustainable sources.

More details on the environmental goals can be found at the following link:
https://thewaltdisneycompany.com/environmental-sustainability/

For more details on our savings in energy and associated carbon emissions see page 13.

e. The desirability of the Company maintaining a reputation for high standards of business conduct

The Company is committed to operating its businesses with integrity and adopting governance policies that promote the thoughtful and independent representation of its stakeholders' interests. The Board has adopted Corporate Governance Guidelines which address, among other things, the composition and functions of the Board and independence. The Group's Standards of Business Conduct are applicable to all Cast Members of the Company including the Board.

The Company regularly engages its leaders and Cast Members in these Standards through training and other forms of communication. It is compulsory that all office-based Cast Members complete the mandatory online courses, examples include: Standards of Business Conduct, TWDC Agents Policy and Avoiding Corrupt Business Practices.

Acting responsibly and conducting business ethically is an integral part of the Disney brand. The Group's global commitment to conduct business and create products in a responsible and ethical manner focuses on six areas: ethical conduct, responsible content, environmental stewardship, community engagement, civic engagement and respectful workplaces. The Company continues to work toward our goals and regularly set new challenges to ensure it is constantly striving to improve.

The Company is also a member of Toy Industries of Europe ("TIE"), an external group which promotes the right of every child to play safely and securely and to promote fair practices and fair legislation, allowing responsible toy companies to continue to grow. TIE's work is centred around six values which the Company is fully committed to:

- Prioritising the safety of the toys we produce.
- Ethical manufacturing.
- Tailoring our marketing to respect children's sensitivities and advertising responsibly.
- Reducing or eliminating barriers to trade.
- Respecting intellectual property rights in their broadest sense.
- Encouraging environmental sustainability.

The Disney Store Limited

Strategic report for the year ended 2 October 2021 (continued)

Section 172 statement (continued)

f. The need to act fairly as between members of the Company

The Company is a wholly owned subsidiary of Disney Trading B.V. One of the Directors of the Company is also on the Board of Disney Trading B.V. Therefore, the Parent Company is aware of the key decisions and financial performance of the Company and has a keen interest in the strategies and future outlook of the Company.

Approved by the Board and signed on its behalf on 16 February 2023 by

DocuSigned by:
Sarah Williams
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Sarah Williams
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London
W6 9PE

The Disney Store Limited

Directors' report for the year ended 2 October 2021

The Directors present their report and the audited financial statements of The Disney Store Limited (the "Company") for the year ended 2 October 2021 (prior financial year ended 3 October 2020).

Future Developments

The Company's future development plans are explained in the Strategic report.

Dividends

There were no dividends paid by the Company during the year (2020: £Nil). Dividends of £Nil (2020: £1,991) were received by the Company during the year.

Financial risk management

The Company's operations expose it to financial risks. The most significant are described below.

(i) Credit risk
The Company has implemented policies that require appropriate credit checks on potential online customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is assessed continually by the Company's credit control function.

(ii) Foreign exchange risk
The Company may hold assets and liabilities denominated in foreign currencies. No derivative financial instruments are used to manage the risk of fluctuating exchange rates, so no hedge accounting is applied. The Company has in place a foreign exchange policy, driven by the ultimate parent company, The Walt Disney Company, and will reconsider the appropriateness of this policy should operations change in nature.

(iii) Interest rate risk
The Company can have interest bearing assets and liabilities. The Company monitors its portfolio of interest bearing assets and liabilities and their financial impact. The Company will reconsider the appropriate structure of its portfolio should operations change in size or nature.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are as follows:

Nigel Anthony Cook
Michael Francis Stagg (resigned 29 June 2022)
Enda Kelly (appointed 29 June 2022)
Sarah Louise Williams (appointed 29 June 2022)
Tracy Anne Bermingham (appointed 14 February 2023)

No Director had an interest in the share capital of the Company or any other Company within the group during the year requiring disclosure under the Companies Act 2006. There was no qualifying third party indemnity provision in force, for the benefit of any of the Directors, at any time during the financial year.

Company Secretary

Julian Anthony Allen (resigned 22 June 2021)

The Disney Store Limited

Directors' report for the year ended 2 October 2021 (continued)

Post Balance Sheet Events

i) New Warehouse Distribution and Fulfilment Services Contract
On 25 February 2022, the Company entered into a new warehouse distribution and fulfilment services agreement with CEVA Limited. The CEVA group is engaged as a logistics services provider providing the provision of warehousing and distribution services across all European and continental activities. Once implementation dates have been determined, the impact on existing service providers will be assessed. Ongoing fees and total expected lease commitment are disclosed in note 24 of these accounts.

ii) Transition to ShopDisney EMEA Online Store
Subsequent to the year end and in line with global strategy, the online operations of the Disney stores in France, Italy, Spain, Portugal and Germany will transfer to the Company following the launch of the ShopDisney EMEA website. Operations are expected to continue during the next financial year with transfer expected throughout 2023.

(iii) Store Closure
Subsequent to the year end and in line with global strategy, the Directors continued their plan of closing a significant number of bricks and mortar stores in order to focus on our online business. On 8 October 2021, the final store in Liverpool One was closed, leaving one bricks and mortar store open. A lease termination agreement was signed on 30 September 2021 and the final lease settlement payment was made by year end.

Employment policy

The Company is an Equal Opportunity Employer – no Cast Member or job applicant will receive less favourable treatment on the grounds of race, colour, religion, ethnic or national origins, sex, age or disability.

This policy will be applied in the context of all conditions of work, including selection, employment, pay and benefit, facilities, promotion and training by the management, cast and its agents.

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.

The Company places considerable value in the involvement of its employees and has continued its previous practice of keeping them well informed on matters affecting them as employees and the financial and economic performance of their business units and of the Company as a whole. This is achieved through formal and informal meetings.

Stakeholder and employee engagement

The Company focusses on providing quality products and best in class service to its guests and operating its business responsibly. The Company continues to maintain strong relationships and open communication with all of its stakeholders. The Company's efforts to communicate transparently to its stakeholders allows them to provide feedback and allows the Company to make well-informed decisions.

The Company endeavours to provide a safe working environment, a diverse and inclusive culture and ensures adherence to all relevant Disney HR policies and processes for its Cast Members.

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Directors' report for the year ended 2 October 2021 (continued)

Stakeholder and employee engagement (continued)

The Company offers a wide range of Health and Wellness support to cast members and to promote and progress diversity, equity and inclusion. More information on these areas can be found in the Company's Section 172 statement in the Strategic Report.

Throughout the year and especially due to the impact of the COVID-19 pandemic, the Company's Cast Members' and its guests' health, safety and wellbeing have been key to its decision-making. The Company has followed government guidance in its stores, closing during lockdowns and putting enhanced COVID-19 safety measures in place in both its stores and distribution centre to ensure the safety of our Cast Members and guests.

Information on supplier and service provider engagement can be found in the Company's Section 172 statement in the Strategic Report.

The strategic decisions of the Board were made with a view to creating long term success for the Company and taking into consideration the impact on its stakeholders.

Streamlined energy and carbon reporting (SECR) disclosure

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and to some extent scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial year.

	Year ended 2 October 2021	Year ended 3 October 2020
Energy consumption used to calculate emissions (kWh)	1,348,021	1,163,231
Emissions from combustion of gas (Scope 1) tCO_2e	192	80
Emissions from combustion of fuel for transport purposes (Scope 1) tCO_2e	0	2
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO_2e	0	7
Emissions from purchased electricity (Scope 2, location-based) tCO_2e	663	861
Emissions from purchased electricity (Scope 2, market-based) tCO_2e	0	0
Total gross tCO_2e based on above (Location-based)	855	950
Total gross tCO_2e based on above (Market-based)	193	89
Intensity ratio (tCO_2e/floor area ft^2) (Location-based)	0.02381	0.02088
Intensity ratio (tCO_2e/floor area ft^2) (Market-based)	0.00535	0.00195

Please see the methodology notes on page 15 for more details on the calculation above.

All emissions from our head office at 3 Queen Caroline Street have been included in our parent company's SECR disclosure. The parent company is the owner of the building and all invoices are billed to The Walt Disney Company Limited and therefore we have disclosed all emissions in their financial statements.

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Directors' report for the year ended 2 October 2021 (continued)

Streamlined energy and carbon reporting (SECR) disclosure (continued)

Explicit reporting on renewable electricity is not an obligation under the SECR legislation. As we would like to reflect our renewable electric consumption, the dual reporting approach has been used. The location based approach uses UK Defra grid factors to calculate emissions, meanwhile in the market based approach; a supplier based emission factor has been used. The Disney Store Limited's renewable electricity is eligible for zero emissions reporting based on the GHG protocol.

Energy efficiency action summary

In 2021, The Disney Store Limited significantly reduced its brick-and-mortar stores to focus on its ecommerce business. The reduction of the number of bricks and mortar stores will have a knock-on effect of reducing the company's environmental footprint in the UK going forwards. The Company has not implemented any new energy efficiency actions in the year but we expect consumption to naturally fall in the future due to the store closures.

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Methodology notes

Reporting Period	4th October 2020 – 2nd October 2021
Boundary(consolidation approach)	Financial control approach
Alignment with financial reporting	The SECR disclosure has been prepared in line with The Disney Store Limited's financial statements made up to 2 October 2021
Reporting method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	DEFRA, 2021 for all emissions and conversion factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021
Conversion factor source	Federal Register EPA for natural gas Federal Register EPA; 40 CFR Part 98; e-CFR, June 13, 2017 EPA GHG Emission Factors Hub
Calculation method	Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption
Other relevant information on calculation	Transport data was calculated from cost data to mileage data to kWh and GHG emissions using the method above. When calculating from mileage average car size conversion factors were applied to calculate emissions. In the absence of the exact vehicle types we have used the Vehicles statistics' table VEH0203, issued by the Department for Transport to separate the diesel and petrol cars. In the absence of the exact engine sizes of the vehicles average conversion factors were used to calculate emissions.
Reason for the intensity measurement choice	Following the recommendations of the SECR legislation and based on the nature of our business, floor area (tCO_2e/floor area ft^2) gives the best overview on our efficiency performance on a longer scale.
Estimation	The report contains some estimated electricity consumption. Depending on the nature of the missing data the following estimation methods were used: Average value of +/-2 surrounding months; Average value from past 3 months; Value from same month of prior year. Maximum of 2 years prior.
Rounding	The results in the table are rounded so minor differences when compared to the actual emissions might occur.
Amount of renewable electricity (kWh) imported from the grid and backed by REGOs.	3,298,904 kWh

The Disney Store Limited

Directors' report for the year ended 2 October 2021 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the 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.

Independent Auditors

An elective resolution has been passed to dispense with the obligation to annually reappoint the auditors, and therefore PricewaterhouseCoopers LLP are deemed to be reappointed for the next financial year.

Approved by the Board and signed on its behalf on 16 February 2023 by

DocuSigned by:
Sarah Williams
B5919632C4774A0...

Sarah Williams
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London
W6 9PE

The Disney Store Limited

Independent Auditors' Report to the Members of The Disney Store Limited

Report on the audit of the financial statements

Opinion

In our opinion, The Disney Store Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 2 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: The Statement of financial position as at 2 October 2021; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

The Disney Store Limited

Independent Auditors' Report to the Members of The Disney Store Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 2 October 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

The Disney Store Limited

Independent Auditors' Report to the Members of The Disney Store Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussing with management including consideration of known or suspected instances of non-compliance with laws and regulations;
- Evaluating and testing management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

The Disney Store Limited

Independent Auditors' Report to the Members of The Disney Store Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Paul Wheeler (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 February 2023

The Disney Store Limited

Income statement for the year ended 2 October 2021

	Note	Year ended 2 October 2021 £'000	Year ended 3 October 2020 £'000
Turnover	4	**100,874**	105,510
Cost of sales		**(44,053)**	(51,705)
Gross profit		**56,821**	53,805
Administrative expenses		**(52,684)**	(51,672)
Other operating income		**2,870**	2,194
Operating profit	5	**7,007**	4,327
Loss on disposal of investment	12	**(2,494)**	(1)
Loss on disposal of fixed assets	10,11	**(29)**	(2)
Interest payable and similar expenses	8	**(49)**	(240)
Dividend income		**-**	2
Profit before taxation		**4,435**	4,086
Tax on profit	9	**3,008**	(828)
Profit for the financial year		**7,443**	3,258

All of the above transactions relate to continuing operations.

The notes on pages 24 to 43 represent an integral part of the financial statements.

The Disney Store Limited

Statement of financial position as at 2 October 2021

	Note	As at 2 October 2021	As at 3 October 2020
		£'000	£'000
Fixed assets			
Intangible assets	10	**2,101**	-
Tangible assets	11	**917**	2,087
Investments	12	**-**	2,505
		3,018	4,592
Current assets			
Stocks	13	**25,157**	29,699
Debtors: amounts falling due within one year	14,16	**73,548**	54,881
Debtors: amounts falling due after more than one year	14,16	**4,155**	2,309
Cash at bank and in hand		**6,099**	30,253
		108,959	117,142
Creditors: amounts falling due within one year	15,16	**(63,026)**	(79,389)
Net current assets		**45,933**	37,753
Total assets less current liabilities		**48,951**	42,345
Creditors: amounts falling due after more than one year	15,16	**(499)**	(1,053)
Provisions for liabilities	17	**(3,222)**	(3,504)
Net assets		**45,230**	37,788
Capital and reserves			
Called up share capital	20	**18,000**	18,000
Share premium account		**43,309**	43,309
Capital contribution	21	**18,000**	18,000
Accumulated losses		**(34,079)**	(41,521)
Total shareholders' funds		**45,230**	37,788

The notes on pages 24 to 43 represent an integral part of the financial statements.

The financial statements on pages 21 to 43 were approved by the Board on 10 February 2023 and were signed on its behalf on 16 February 2023 by:

DocuSigned by:
Sarah Williams
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Sarah Williams
Director

3 Queen Caroline Street
Hammersmith
London
W6 9PE

The Disney Store Limited

Statement of changes in equity for the year ended 2 October 2021

	Called up share capital £'000	Share Premium Account £'000	Accumulated losses £'000	Capital Contribution £'000	Total £'000
Balance as at 29 September 2019	18,000	43,309	(44,779)	18,000	34,530
Profit for the financial year	-	-	3,258	-	3,258
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	3,258	-	3,258
Balance as at 3 October 2020	**18,000**	**43,309**	**(41,521)**	**18,000**	**37,788**
Profit for the financial year	-	-	**7,443**	-	**7,443**
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	**7,443**	-	**7,443**
Balance as at 2 October 2021	**18,000**	**43,309**	**(34,079)**	**18,000**	**45,230**

The notes on pages 24 to 43 represent an integral part of the financial statements.

The Disney Store Limited

Notes to the Financial Statements for the year ended 2 October 2021

1 General information

The Disney Store Limited (the "Company") is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is 3 Queen Caroline Street, Hammersmith, London, W6 9PE.

The Company is a wholly owned subsidiary of Disney Trading B.V. (formerly registered and known as Disney Stores Holdings (Netherlands) B.V.), whose ultimate parent company is The Walt Disney Company, incorporated in the United States of America. The consolidated financial statements of The Walt Disney Company are publicly available.

The Company's principal activity during the year was the speciality retail of Disney merchandise and licensed co-branded products.

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 from preparing group financial statements as it is a wholly owned subsidiary of The Walt Disney Company and is included within that Company's consolidated financial statements. The address of which can be found in note 22 of these financial statements.

2 Statement of compliance

The financial statements of The Disney Store Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

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

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102').'

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical accounting judgements and key sources of estimation uncertainty' section later on this note.

b) Going concern

The Directors have assessed the liquidity requirements for the Company for at least the next 12 months from the date of approval of these financial statements. This assessment includes consideration of the current economic condition and pressures on the retail sector. They intend to manage their working capital needs on a day to day basis through the use of intercompany cash pooling arrangements as well as realising existing net current assets. The Directors have received assurance of continued financial support from an appropriate Disney group company, in the form of a letter of support, for at least the next 12 months from the date of these financial statements. On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is also well placed to manage its business risks and they have a reasonable expectation the Company has adequate resources to continue their operations for

3 Summary of significant accounting policies (continued)

b) *Going concern (continued)*

the foreseeable future. As a result, management have prepared the financial statements on a going concern basis.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the Company has taken advantage of the following exemptions in its financial statements:

i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d) Accounting reference date

The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting year on the closest Saturday to 30 September each year. An accounting reference date of 2 October 2021 has been adopted for the current year. The financial year represents the 52 weeks ended Saturday 2 October 2021 (*prior financial year was the 53 weeks ended Saturday 3 October 2020*).

e) Foreign currency

(i) Functional and presentation currency
The Company's functional and presentation currency is the pound sterling and is rounded to thousands.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The Disney Store Limited

Notes to the Financial Statements for the year ended 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

f) Turnover

Turnover represents the amounts receivable for goods supplied to customers during the year exclusive of value added tax and net of any returns. Revenue from the provision of the sale of goods on the internet is recognised at the point that the risks and rewards of the inventory have passed to the customer, which is the point of delivery.

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

h) Fixed asset investments and investment income

Fixed asset investments are stated at historical cost. Provision is made where in the opinion of the Directors an investment is impaired. Income from investments is included to the extent of dividends and distributions received and after assessing if these represent a return on investment (shown in the income statement) or a return of investment (shown as a reduction against the investment carrying value). Investments are reviewed for any impairment indicators at the reporting date.

3 Summary of significant accounting policies (continued)

i) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in the other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

j) Tangible assets and depreciation

Tangible assets are stated at historical purchase cost less accumulated depreciation and accumulated impairment losses. Costs that are directly attributable to the development of new business application hardware and software, which are incurred during the year prior to the date that the systems are placed into operational use, are capitalised. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated on a straight line basis at rates estimated to write off the cost of the assets over their estimated useful lives. Depreciation is not provided on construction in progress.

The principal useful lives in use are:

Leasehold improvements:	the lesser of 10 years or the remaining term of the lease
Office equipment, furniture, fixtures and fittings:	3 -10 years

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and included in 'Loss on disposal of fixed assets'.

The Disney Store Limited

Notes to the Financial Statements for the year ended 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

k) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. As at 2 October 2021 the Company does not hold short-term highly liquid investments or bank overdrafts.

l) Stocks

Stocks of finished goods and goods for resale are valued at the lower of cost and estimated selling price less cost to complete and sell after making due allowance for any obsolete or slow moving items. The cost of stock is determined through the use of a weighted average methodology. At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the income statement. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the income statement.

m) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

m) Financial instruments (continued)

(ii) Financial liabilities (continued)

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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments and as at 2 October 2021 does not hold bank loans but holds loans from fellow Group companies.

(iii) Offsetting

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

The Company has taken exemption from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102.

n) Prepaid expenses

Prepaid expenses primarily comprise advance payments made to vendors and related parties for rent, property taxes and inventory.

o) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the income statement on a straight line basis over the period of the lease. Leased assets primarily represent retail space rental.

(ii) Lease incentives

Lease incentives primarily include up-front cash receipts or rent-free periods. Lease incentives are deferred and spread over the shorter of the lease term and period to the next market rent review.

p) Dilapidation provisions

Provisions for dilapidation are estimated on the basis of the terms of the lease and independent advice or management's best estimate of total liabilities. The costs are provided for upon entering the lease and the provision is recognised in the Statement of financial position initially. The cost associated is capitalised within leasehold improvements and depreciated in line with the accounting policy set out in (j) above.

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

q) Asset retirement cost

An obligation to incur asset retirement costs occurs when the Company enters a lease, legally obligating the Company to restore the condition of the leased space to the original state at the end of the lease. Asset retirement costs are estimated on the basis of the terms of the store leases and past experience. The costs are provided for upon entering a new lease and capitalised into the cost of the related asset. These costs are charged to the income statement through depreciation of the asset. Depreciation is included in operating costs.

r) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangement and defined contribution pension plans.

(i) Short term benefits
Short term benefits are recognised as an expense in the period in which the service is received. Holiday pay is not recognised as an expense in the period in which the service is received because it is considered immaterial.

(ii) Defined contribution pension plan
Pension contributions are made to a defined contribution scheme. Contributions are charged to the income statement as they fall due. The assets of the scheme are held separately from those of the Company in an independently administered fund.

(iii) Severance payments
Under Existing Severance Programs, an expense is recognised in the Income Statement when the severance payment is probable and estimable.

Additional costs incurred to facilitate a restructuring are expensed as incurred.

s) Related party transactions

The Company has taken the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same Group that are wholly owned. The Company also does not disclose transactions with related parties which are not wholly owned with the same Group in note 23.

The Company has also taken exemption from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

t) Government grants

The Company recognises government grants when there is reasonable assurance the Company will comply with the conditions attached to them; and the grants will be received in accordance with section 24 of FRS 102. The grants are measured at the fair value of the asset received or receivable.

The Company recognises income from the Coronavirus Job Retention Scheme claiming amounts allowed from HM Revenue and Customs based on 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month. For the year ended 2 October 2021 the Company received £2,099,055 (2020: £2,194,218) in government grants related to wage subsidies and £770,871 (2020: £Nil) in business grants in response to the COVID-19 pandemic.

u) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates, which could lead to material revisions to these estimates in future periods.

Estimates and underlying assumptions are continually evaluated to mitigate the risk of misstatements. These evaluations are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) Inventory provisioning (E)
The Company specialises in the retail of Disney merchandise and is subject to changing customer demands. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of inventory. See note 14 for the net carrying amount of the inventory.

(ii) Impairment of non-financial assets (E+J)
Non-financial assets are carried at historic cost and are assessed for impairment or any reversals of previous impairments, by the Company annually with reference to the future underlying operating activities of the assets. See note 12 for the carrying amount of investments and note 11 for the carrying amount of tangible assets.

(iii) Useful economic lives of tangible and intangible assets (E)
The annual depreciation or amortisation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. Impairment reviews are carried out, if a trigger assessment indicates a need, to ensure that assets are not carried at above their recoverable amounts. See notes 10 and 11 for the carrying amount of intangible and tangible assets and 3j and 3v for the useful economic lives for each class of asset.

**(E - critical accounting estimates and assumptions; J - critical judgements in applying the Company's accounting policies)*

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

v) Intangible assets *(E+J)*

Intangible assets are made up of computer software. Under FRS 102, intangible assets are reviewed for any impairment indicators at the reporting date.

Impairment reviews are carried out to ensure that intangible assets are not carried at above their recoverable amounts. Any amortisation or impairment write downs are charged to the Income statement.

The useful economic life of the computer software is three years and is amortised on a straight line basis.

4 Turnover

All turnover arises from the speciality retail of Disney merchandise in the United Kingdom as well as the online retail of Disney merchandise and licensed co-branded products to the United Kingdom, and countries both inside and outside Europe.

The split of turnover into geographical destination during the year was as follows:

	Year ended 2 October 2021 £'000	**Year ended 3 October 2020 £'000**
United Kingdom	**96,439**	101,570
Rest of Europe	**3,362**	2,918
Rest of World	**1,073**	1,022
Total	**100,874**	105,510

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

5 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 2 October 2021 £'000	Year ended 3 October 2020 £'000
Depreciation of tangible assets	**1,081**	2,145
Amortisation of intangible assets	**354**	527
Operating lease rentals		
- Land and buildings	**17,994**	11,734
- Plant and equipment	**21**	11
Inventory recognised as an expense	**41,213**	47,715
Foreign exchange loss/(gain)	**1,143**	(3,299)
Other operating income	**(2,870)**	(2,194)

Auditors' remuneration for the current year is £146,000 (2020: £127,000). This is paid by another group entity and not recharged to the Company.

Cost of sales includes £41,213,000 (2020: £47,715,000) inventory expense for the year.

Other operating income is comprised of government grant income from the Coronavirus Job Retention Scheme and Business Grants enforced in response to COVID-19.

6 Directors' emoluments

	Year ended 2 October 2021 £'000	Year ended 3 October 2020 £'000
Aggregate emoluments	**502**	547
Other director benefits	**335**	439
Company contributions paid to pension scheme	**4**	7
Highest paid Director		
Total amount of emoluments and amounts (excluding shares) receivable under long term incentive schemes	**502**	547
Other director benefits	**335**	439
Company contributions paid to pension schemes	**4**	7

All Directors are employed and remunerated by other group companies. No recharges were paid by the Company in 2021 (2020: £Nil) in relation to the services of these Directors. The emoluments of the highest paid Director in the table above, whilst not charged directly to the Company, are disclosed as the Director spent the majority of their time working on The Disney Store Limited. For the remaining Directors it is not possible to determine an allocation of their remuneration for services to the Company as their duties are incidental to their overall role for the Group.

In 2021, retirement benefits were accrued in relation to all Directors under a money purchase scheme (2020: all); all Directors received share options under long term incentive schemes (2020: all); and no Director exercised options over Company shares in The Walt Disney Company (2020: nil). However, these are accounted for in the other group companies, where they are employed. There was no payment for loss of office in the year (2020: £nil).

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

7 Staff costs

	Year ended 2 October 2021 £'000	Year ended 3 October 2020 £'000
Wages and salaries	**23,026**	25,127
Severance costs	**4,492**	-
Social security costs	**1,796**	1,694
Other pension costs	**1,071**	1,085
Total	**30,385**	27,906

The average number of employees during the year including Directors was made up as follows:

	Year ended 2 October 2021 Number	Year ended 3 October 2020 Number
Administration	**168**	174
Retail - full time	**107**	125
- part time	**543**	719
Distribution	**190**	197
Total	**1,008**	1,215

8 Interest payable and similar expenses

Interest payable and similar expenses

	Year ended 2 October 2021 £'000	Year ended 3 October 2020 £'000
Other interest payable due to group companies	**49**	240
Total	**49**	240

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

9 Tax on profit

The tax (credit)/charge for taxation based upon the taxable profit for the year is comprised of:

	Year ended 2 October 2021 £'000	Year ended 3 October 2020 £'000
Current tax		
UK corporation tax at 19% (2020: 19%)	-	942
Adjustments in respect of prior years	**(1,165)**	-
Total current tax (credit)/charge	**(1,165)**	942
Deferred tax		
Current year	**(571)**	(80)
Prior year adjustment	**(413)**	200
Tax rate change adjustment	**(860)**	(234)
Total deferred tax credit (note 18)	**(1,844)**	(114)
Tax (credit)/charge on profit	**(3,009)**	828

Factors affecting the tax (credit)/charge for the year

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for the year ended 2 October 2021: 19% (2020: 19%). The differences are explained as follows:

	Year ended 2 October 2021 £'000	Year ended 3 October 2020 £'000
Profit before taxation	**4,434**	4,086
Profit before taxation multiplied by the standard rate in the UK of 19% (2020: 19%)	**842**	776
Effects of:		
Expenses not deductible for tax purposes	**686**	86
Fixed asset differences	**23**	-
Adjustments to brought forward values	**(2)**	-
Group relief claimed	**(1,983)**	-
Adjustments to tax charge in respect of previous periods	**(1,165)**	-
Difference in tax rates – prior year	**(997)**	(234)
Prior year adjustment – deferred	**(413)**	200
Total tax (credit)/charge for the year	**(3,009)**	828

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

10 Intangible assets

	Computer Software £'000
Cost	
At 4 October 2020	5,661
Additions	2,278
Disposals	(1,781)
Transfers	-
At 2 October 2021	**6,158**
Accumulated amortisation	
At 4 October 2020	5,475
Charge for the year	354
Disposals	(1,772)
At 2 October 2021	**4,057**
Net book amount	
At 2 October 2021	**2,101**
At 3 October 2020	186

With the Company's focus shifting to its e-commerce store, significant investment has been made in computer software to support this. It was deemed that the value of the computer software in the current year was material to be disclosed as a separate asset going forward. As a result, intangible assets have been disclosed as part of a separate note here. The value of the computer software in the prior year was deemed immaterial and therefore these amounts have not been restated.

The disposal of intangible assets in the year resulted in a loss of £9,000 (2020: loss of £1,000)

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

11 Tangible assets

	Leasehold improvements	Office equipment, furniture, fixtures and fittings	Construction in progress	Total
	£'000	£'000	£'000	£'000
Cost				
At 4 October 2020	23,185	22,411	75	45,671
Additions	-	-	117	117
Disposals	(15,879)	(10,456)	-	(26,335)
Transfers	-	43	(43)	-
Reclassifications	-	(5,661)	-	(5,661)
At 2 October 2021	**7,306**	**6,337**	**149**	**13,792**
Accumulated depreciation				
At 4 October 2020	21,685	21,899	-	43,584
Charge for the year	813	268	-	1,081
Disposals	(15,872)	(10,443)	-	(26,315)
Reclassifications		(5,475)		(5,475)
At 2 October 2021	**6,626**	**6,249**	**-**	**12,875**
Net book amount				
At 2 October 2021	**680**	**88**	**149**	**917**
At 3 October 2020	1,500	512	75	2,087

The disposal of fixed assets in the year resulted in a loss of £20,000 (2020: loss of £2,000).

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 *(continued)*

12 Investments

	2 October 2021 £'000	3 October 2020 £'000
Cost	**2,505**	2,506
Disposal/impairment in the year	**(2,502)**	(1)
Return on investment	**(3)**	-
Net book value	**-**	2,505

The Directors believe that the carrying value of the investments is supported by their underlying net assets or the net present value of their discounted future cash flows. The investments are reviewed annually and as a result, the investment of £2,494,000 in The Disney Store (Germany) GmbH has been impaired in full during the year ended 2 October 2021. The impairment is driven by the investment in the ShopDisney EMEA website during the year and the online operations of The Disney Store (Germany) GmbH being transferred to the Company.

The Walt Disney Company (Portugal) L.D.A. ceased trading. As a result, the investment of £8,000 is impaired in full.

13 Stocks

	2 October 2021 £'000	3 October 2020 £'000
Consumables	**285**	369
Goods for resale	**24,872**	29,330
Total	**25,157**	29,699

There is no material difference between the carrying amount of stock and the replacement cost.

Inventories are stated after provisions for impairment of £1,250,000 (2020: £953,000).

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

14 Debtors

Amounts falling due within one year

	2 October 2021 £'000	3 October 2020 £'000
Amounts owed by group undertakings	**71,451**	51,359
Other debtors	**781**	784
Prepayments and accrued income	**1,316**	2,738
Total	**73,548**	54,881

The amounts owed by group undertakings are unsecured, repayable on demand and do not bear interest.

Amounts falling due after more than one year

	2 October 2021 £'000	3 October 2020 £'000
Deferred tax asset (note 18)	**4,155**	2,309
Total	**4,155**	2,309

15 Creditors

Amounts falling due within one year

	2 October 2021 £'000	3 October 2020 £'000
Trade creditors	**7,929**	7,081
Amounts owed to group undertakings	**33,046**	46,874
Current tax payable	**1,211**	2,375
Other taxation and social security	**435**	129
Other creditors	**3,457**	4,440
Accruals and deferred income	**16,948**	18,490
Total	**63,026**	79,389

A portion of the amounts owed to group undertakings (£2,707,000, 2020: £7,543,000) is unsecured, repayable on demand and interest bearing with a 6 month USD LIBOR rate plus 46 basis points. The remaining amounts owed to group undertakings (£30,339,466), 2020: £39,331,000) are unsecured, repayable on demand and interest free.

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

15 Creditors (continued)

Amounts falling due after more than one year

	2 October 2021 £'000	3 October 2020 £'000
Amounts payable within two to five years:		
Amounts owed to group undertakings	**12**	12
Accruals and deferred income	**487**	1,041
Total	**499**	1,053

The Company has taken the transition exemption under paragraph 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 and continues to credit such lease incentives to the income statement over the period to the first review date on which the rent is adjusted to market rates.

16 Financial instruments by category

	Note	2 October 2021 £'000	3 October 2020 £'000
Financial assets measured at amortised cost:			
Amounts owed by group undertakings	14	**71,451**	51,359
Other debtors	14	**781**	784
Cash at bank and in hand		**6,099**	30,253
Total		**78,331**	82,396
Financial liabilities measured at amortised cost:			
Trade creditors	15	**7,929**	7,081
Amounts owed to group undertakings	15	**33,046**	46,874
Other creditors	15	**3,457**	4,440
Accruals	15	**16,072**	17,528
Amounts owed to group undertakings after more than one year	15	**12**	12
Accruals after more than one year	15	**487**	1,041
Total		**61,003**	76,976

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

17 Provisions for liabilities

	Property related and other reserves £'000
At 4 October 2020	3,504
Additions	331
Disposals	(613)
At 2 October 2021	**3,222**

The property related and other provision includes contractual obligations of the Company on surrender of property leases to reinstate the premises to the same state and condition as before occupancy including making good all damage caused by the removal and this also applies to certain stores. The provision will be utilised as the Company's property leases expire, at year end this was expected to be between 1 to 10 years, however, in light of the decision to close stores the provision is expected to be significantly reduced during this financial year and the next.

18 Deferred tax asset

Deferred taxation provided for at 25% (2020: 19%) in the financial statements is set out below:

	2 October 2021 £'000	3 October 2020 £'000
Accelerated capital allowances	**(3,392)**	(1,645)
Short term timing differences	**(763)**	(664)
Undiscounted deferred tax asset	**(4,155)**	(2,309)
At 4 October 2020 / 29 September 2019	**(2,309)**	(2,195)
Origination and reversal of timing differences	**(572)**	(80)
Prior year	**(414)**	200
Tax rate change adjustment	**(860)**	(234)
At 2 October 2021 / 3 October 2020	**(4,155)**	(2,309)

19 Commitments and contingencies

The Company has the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2 October 2021 £'000	3 October 2020 £'000
The maturity of these amounts is as follows:		
Within one year	**5,056**	11,430
Within two to five years	**16,692**	26,944
After five years	**5,363**	6,981
Total	**27,111**	45,355

20 Called up share capital

	2 October 2021 £'000	3 October 2020 £'000
Allotted and fully paid		
18,000,102 Ordinary shares of £1 each (2020: 18,000,102)	**18,000**	18,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

21 Capital contribution

The historic capital contribution of £18,000,000 relates to a loan which was forgiven on 11 August 2009 when The Disney Store Limited was sold by Walt Disney International Limited to Disney Stores Holdings Netherlands BV. This sale took place on 9 April 2009.

22 Ultimate parent undertaking and related undertaking

The Company's immediate parent company is Disney Trading B.V. (formerly registered and known as Disney Stores Holdings (Netherlands) B.V.).

The parent undertaking of the smallest and largest group for which group financial statements are prepared, and of which The Disney Store Limited is a member, is The Walt Disney Company (tax identification number: 83-0940635). Copies of their financial statements can be obtained from 500 South Buena Vista Street, Burbank, California 91521-9722 United States of America.

The Company has one related undertaking being The Disney Store (Germany) GmbH which is a wholly owned direct subsidiary registered in Germany.

The Disney Store Limited

Notes to the financial statements for the year ended 2 October 2021 (continued)

23 Related party transactions

The Company is a wholly owned subsidiary of Disney Trading B.V. (formerly registered and known as Disney Stores Holdings (Netherlands) B.V.), whose ultimate parent is The Walt Disney Company and utilises the exemption contained in paragraph 33.1A of FRS 102, 'Related party disclosures', not to disclose any transactions with entities that are included in the consolidated financial statements of The Walt Disney Company.

There were no other related party transactions during the year.

24 Post balance sheet events

i) New Warehouse Distribution and Fulfilment Services Contract

On 25 February 2022, the Company entered into a new warehouse distribution and fulfilment services agreement with CEVA Limited. The CEVA group is engaged as a logistics services provider providing the provision of warehousing and distribution services across all European and continental activities. Once implementation dates have been determined, the impact on existing service providers will be assessed. The contract term is seven years. Ongoing fees are disclosed below (the ongoing fees have been annualised based on the next financial year's volumes).

<u>Total expected lease commitment</u>

Within one year	£ 4,314,039
Within two to five years	£18,589,780
After five years	£10,152,342

<u>Ongoing Fees per year</u>

Variable	£1,827,571
Management Fee	£ 668,061

ii) Transition to ShopDisney EMEA Online Store

Subsequent to the year end and in line with global strategy, the online operations of the Disney stores in France, Italy, Spain, Portugal and Germany will transfer to the Company following the launch of the ShopDisney EMEA website. Operations are expected to continue during the next financial year with transfer expected throughout 2023.

iii) Store closure

Subsequent to the year end and in line with global strategy, the Directors continued their plan of closing a significant number of bricks and mortar stores in order to focus on our online business. On 8 October 2021, the final store in Liverpool One was closed, leaving one bricks and mortar store open. A lease termination agreement was signed on 30 September 2021 and the final lease settlement payment was made by year end.