Registered No: 4537212



# Build-A-Bear Workshop UK Limited

## Report and Financial Statements

For the 52 Week Period Ended 30 January 2021

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# Company Information

### Directors
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V Todorovic
E Fencl

### Secretary
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### Auditors
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# Strategic Report

The directors present their strategic report and financial statements for the 52 week period ended 30 January 2021 (referred to as 2020 throughout).

## Review of the business

The company is a speciality multi-channel retailer offering a "make your own stuffed plush bear" interactive retail-entertainment experience.

Build-A-Bear Workshop UK Limited is a wholly-owned subsidiary of Build-A-Bear Workshop Inc., the leading and international company providing a "make your own stuffed animal" interactive retail-entertainment experience.

As at 30 January 2021, Build-A-Bear Workshop UK Limited operated 48 retail stores (46 corporately managed and two third party concessions) in United Kingdom and Republic of Ireland and our webstore, Buildabear.co.uk.

All our corporately managed stores and third-party concessions were temporarily closed at various times during 2020 due to government regulations and policies designed to manage the Covid-19 pandemic. Once reopened all stores continued to operate with restrictions, such as modified processes, reduced operating hours and capacity restrictions.

### COVID-19 Pandemic

In March 2020, the World Health Organization announced that COVID-19 was a global pandemic. The pandemic has had far-reaching adverse impacts on many aspects of our operation, directly and indirectly, including our people, consumer behaviour, distribution, our suppliers, and the market generally.

In the first half of 2020, we rapidly responded to the onset of the global pandemic by taking immediate action to protect the financial well-being of the company including aggressive expense management and cash preservation while pivoting to driving e-commerce demand and our head office staff shifted to working from home.

The Covid-19 pandemic has had a significant impact on our ability to operate and trade during 2020 and first half 2021. We are primarily a speciality in-store entertainment retailer operating an interactive experience with the experience designed to be delivered in a physical store location. We are classed as a "non-essential retailer" under the UK and Republic of Ireland Governments Covid-19 pandemic response.

Since the first national lockdown for "non-essential retailers" in March 2020 through to the end of restrictions in mid-April 2021 our English stores (where the majority of our corporately managed stores are located) were temporarily closed for eight months (six months relating to fiscal 2020) including for the peak sales periods month of November 2020 and Boxing Day through January 2021. Similar localised trading restrictions were also implemented for our other stores across Wales, Scotland, Northern Ireland and Republic of Ireland. During the eight months our stores were temporarily closed the only sales channel available to our customers was our webstore, leading to 128% increase in web sales in 2020 compared to the prior year.

To mitigate the significant detrimental impact on our financial performance the company placed 95% of its workforce on furlough. The company utilised the UK Government's Covid-19 support Job Retention Scheme. In addition, the company instituted temporary pay reductions of 20% for those employees who continued to work whilst stores were temporarily closed.

We have strong relationships with our landlords which has enabled us to obtain a combination of deferments and abatements on our lease rent payments across our stores whilst they were temporarily unable to trade. For Build-Bear-Workshop it is essential that our landlord/tenant relationships remain strong and we work collaboratively to manage the challenges the COVID-19 pandemic has placed upon businesses and the economy as the UK Government implements solutions to allow the country to return to a new form of normality.

# Strategic Report (continued)

We accessed several of the UK Government's other Covid-19 financial support schemes including business rates reduction, deferral of VAT payments, business and restart grants.

We continue to monitor the UK Government's advice on the Covid-19 pandemic and take appropriate actions to allow our stores to trade again whilst maintaining the health and safety of our customers, employees and the communities where we operate.

We primarily operate specialty stores that provide a "make your own stuffed animal" interactive entertainment experience in which guests, with the help of our associates, visit a variety of stations to "assemble" and customise a stuffed animal. Our concept is a unique combination of experience and product and we are focused on enhancing our brand equity while meeting the needs of consumers by offering a relevant selection of premium products that meet high quality standards and are on trend. In addition, products are sold through e-commerce sites and third-party retail locations. Our store experience appeals to a broad range of age groups and demographics, including children, as well as their parents and grandparents, teens, adult collectors and gift givers as well as affinity consumers. We seek to provide outstanding guest service and experiences across all channels and touch points including our stores, our e-commerce sites, our mobile sites and apps as well as traditional, digital and social media. Guests visit our stores for multiple reasons including interactive family experiences, birthdays, parties and other milestone occasions. We believe the interactive nature of our stores and service model result in guests forming an emotional connection with our brand.

The key financial performance indicators during the period are as follows;

| | 52 week period ended 30 January 2021 | 52 week period ended 1 February 2020 | Change |
|---|---|---|---|
| | £'000 | £'000 | % |
| Turnover | 25,338 | 37,229 | (31.9%) |
| Selling and distribution costs | 20,899 | 25,845 | (19.1%) |
| Fixed asset impairment | 128 | 394 | (67.4%) |
| Onerous lease (reversal)/expense | (3,268) | 1,394 | 334.4% |
| Intercompany receivable provision/(reversal) | 282 | (155) | 281.9% |
| Administrative expenses | 2,306 | 3,075 | (25.0%) |
| Intercompany management fee | 351 | 965 | (63.6%) |
| Foreign exchange (gain) | (392) | (209) | 87.6% |
| Operating profit/(loss) | 1,319 | (6,818) | 119.3% |
| Profit/(loss) after tax | 4,196 | (6,746) | 162.2% |

The impact of Covid-19 and the enforced temporary closure of all our stores, on average for six months in 2020, had a significant detrimental impact on our turnover despite more than doubling our e-commerce sales. The turnover of the company was 31.9% lower than 2019, with a decline of 53.7% in store sales partially offset by triple digit increase in e-commerce sales as our customers still wanted to purchase our products and experience during the lockdown periods.

# Strategic Report (continued)

During 2020 we closed two stores and four shop in shop stores, in addition the two-remaining shop in shop stores were moved to third party operation from corporately operated.

2020 was the first year of the temporary arrangement with the US parent company where support payments are made to Build-A-Bear Workshop UK Ltd. A payment of £4,536,000 was made for the year.

Selling and distribution costs decreased by £4,946,000 as a result of the reduction in store variable costs during the periods our stores were temporarily closed and the cash preservation strategy which the business implemented during the Covid-19 pandemic lockdowns to remove or suspend non-essential expenditure and obtain deferments and/or abatements on store fixed costs i.e. store rents.

Store occupancy costs were reduced by £4,068,000 mainly due to reduction in rent costs following discussions with our landlords plus improved terms on lease renewals and the covid-19 support via a reduction in business rates.

Store payroll costs decreased by £1,515,000, 22%, compared 2019 due to the temporary closure of the stores for on average for six months with furloughed employees incurring a 20% reduction in their pay. Marketing and supplies decreased by £134,000 as the business continued its marketing strategy from 2019 by reducing the level of traditional marketing spend (TV, newspapers and magazines) and focus on digital marketing. Store Repair & Maintenance and Utilities reduced by £68,000 and £91,000 compared to the previous year driven by periods the stores were temporarily closed.

2020 has shown us that our customers are willing to shop with us and experience Build-A-Bear on our webstore when they do not have access to one of our retail stores. This has led the business to re-assess the webstore fulfilment model and look to the potential of using our stores in the future as fulfilment centres and customer collection locations for a significant proportion of the webstore sales. This shift in the store business model coupled with improved rent terms on store leases has meant that the onerous lease provision was reduced by £3,268,000.

Following the review of the financial performance of the Build-A-Bear Workshop Shanghai the decision was made to cease trading the lone corporately managed store in China in mid-2021. Full provision has been made for the intercompany receivable from the fellow group companies based in China and Denmark.

Administrative expenses were lower by £769,000 predominantly due to a £239,000 reduction in head office payroll costs following a reduction in the size of the team compared to FY19 and a third of the team who directly support stores being placed on furlough at 80% of pay for each of the lockdown periods whilst the stores were closed and a reduction in head office travel costs due to the pandemic restrictions of £94,000. In addition, there was decrease year on year of £180,000 in the bad debt provision for disputed duty paid on imports due to the significant reduction in the level of imported merchandise from China in 2020 due to more merchandise imported in 2019 ahead of the changes related to Brexit, which came into effect on 31 December 2019, and the disruption to manufacturing and global supply chain issues caused by the Covid 19 pandemic during 2020.

Our US parent company reduced its Intercompany Management Fee by £614,000 compared to 2019 and the company saw a gain on foreign exchange of £392,000, £183,000 benefit compared to 2019.

The company delivered an Operating Profit before Tax of £1,319,000 for the period compared to a loss of £6,818,000 in the prior year.

Build-A-Bear Workshop UK Ltd accessed the Covid-19 support grant schemes for furloughing staff and business restart grants available for non-essential retailers. The total value attributable to 2020 was £2,470,000.

# Strategic Report (continued)

### Section 172 statement

In accordance with section 172 of the Companies Act 2006, each of our directors acts in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act).

This s172 statement explains how the directors have engaged with employees, suppliers and customers, communities and key stakeholders. Decisions taken by the company directors during the financial year are made whilst considering employee interests, the need to maintain and build upon the company's relationships with our suppliers and customers, how to positively impact the communities where we operate and fairly engage with key stakeholders.

When making decisions, each director ensures that he/she acts in a way he/she considers, in good faith, would most likely promote the company's success. The directors understand the company and the evolving environment in which we operate, including the challenges of transitioning from a traditional store-based retail brand company to a brand company where retailing is one part of the company strategy.

### Our purpose and strategy

Currently, we primarily operate specialty stores that provide a "make your own stuffed animal" interactive entertainment experience in which guests, with the help of our associates, visit a variety of stations to "assemble" and customize a stuffed animal. Our concept is a unique combination of experience and product and we are focused on enhancing our brand equity while meeting the needs of customers by offering a relevant selection of premium products that meet high quality standards and are on trend. In addition, products are sold through e-commerce sites, third-party retail locations. Our store experience appeals to a broad range of age groups and demographics, including children, as well as their parents and grandparents, teens, adult collectors and gift givers as well as affinity customers. We seek to provide outstanding guest service and experiences across all channels and touch points including our stores, our e-commerce site, our mobile sites and apps as well as traditional and social media.

We believe there are opportunities to leverage the strength of the Build-A-Bear brand to generate incremental revenue and profits given the high customer recognition and strong positioning as a trusted, high quality brand that is emotionally connected with both children and their parents through expanded programs including outbound branded licensing and entertainment, which may positively impact other channels of distribution.

### Our employees

The directors recognise that BABW employees are fundamental to the success of our business and to the delivery of strategic objectives. The success of the business depends on attracting, developing, motivating and retaining employees. Whilst ensuring we remain a responsible employer, from pay and benefits to health and safety in the workplace environment, the directors consider the implications of decisions on the employees where relevant and feasible.

### Business relationships

To deliver our strategy requires maintaining strong relationships with our key suppliers. We do not own or operate any factories that produce our skins, clothing, shoes or accessories. For the past two years, we purchased approximately 80% of our merchandise from four vendors with whom we have enjoyed multi year relationships. Similarly, our future success depends, in part, on the popularity and consumer demand for brands of licensors such as Disney, LucasFilm, Marvel, Hasbro and The Pokémon Company.

# Strategic Report (continued)

Our customers are central to our business strategy. We seek to provide outstanding customer service and experiences across all channels and touch points including our stores, our e-commerce site, our mobile sites and apps as well as traditional and social media. Customers visit our stores for multiple reasons including interactive family experiences, birthdays, parties and other milestone occasions as well as to purchase gifts. We believe the hands-on and interactive nature of our store and interactive service model result in customers forming an emotional connection with our brand.

**Impact on communities**

The company places heart at the centre of everything we do, and the Build-A-Bear Foundation sees to add a little more heart to life for those in need. We use our position to create positive change for the people and communities where we operate.

**Stakeholders**

During the year the Board received information to enable them to consider the impact of the company's decisions on its key stakeholders. This information was distributed in a range of different formats, including through reports and presentations on our financial and operational performance, non-financial KPIs and risk. We acknowledge that every decision made will not necessarily result in a positive outcome for all our stakeholders and the Board frequently must make difficult decisions based on competing priorities. By considering the company's purpose and values, together with its strategic priorities we aim to balance those different perspectives.

## Principal risks and uncertainties

We operate in a competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all the risk factors, nor can it assess the impact of all the risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The Covid-19 pandemic has had a significant impact on our ability to operate and trade during 2020 and into 2021. We are primarily a speciality store retailer operating an interactive entertainment experience and the experience has been designed to be delivered in a physical store location. We are classed as a "non-essential retailer" under the UK Governments Covid-19 pandemic response. Since the first national lockdown, March 2020, through to the end of the third national lockdown in mid-April 2021 our English stores (where most of our stores are located) have been temporarily closed whether due to the three national lockdowns or localised lockdowns, for eight months including for the month of November 2020 and Boxing Day through mid-April 2021 which include our traditional peak sales periods. The situation has been mirrored for our other stores across Wales, Scotland and Northern Ireland. During the eight months our stores have been temporarily closed the only sales channel available to our customers has been our webstore, which as expected has seen substantial growth during the year, however the decrease of the store turnover will not entirely be offset by triple digit growth in webstore sales performance.

We continue to monitor the UK Government's advice on the Covid-19 pandemic and take appropriate actions to allow our stores to trade again whilst maintaining the health and safety of our customers, employees and the communities where we operate.

To support the company through these challenges, it entered into an arrangement with Build-A-Bear Workshop Inc. for the fiscal years 2020 to 2022 to assist with the company's profitability.

# Strategic Report (continued)

A continued considerable external risk is the uncertainty over the future of the UK's relationship with the EU following the signing of the Brexit agreement in late December 2020. The details of this agreement and the implications on how the business operates are continuing to be worked through. Risks have been specifically considered by the board and plans have been prepared to deal with a variety of outcomes. Brexit agreement implementation continues to pose a number of risks to our business, including heightened macro-economic uncertainty, volatility in foreign exchange rates, and recruitment of personnel.

In the U.K., we compete with several retailers including The Entertainer Toy Shop, Smyths Toys Superstores and Hamleys Toy Store. Since we sell a product that integrates merchandise and experience, we also view our competition as any company that competes for family time and entertainment discretionary spending, such as cinemas, shopping centre-based entertainment venues and online entertainment. With the majority of our stores currently operating in traditional shopping centres, we also compete with other retailers, including various apparel, footwear and specialty retailers, for prime centre locations.

Purchases of our merchandise are dependent upon discretionary spending by our guests, our financial performance is sensitive to changes in overall economic conditions that affect consumer spending. Consumer spending habits are affected by, among other things, prevailing economic conditions, levels of employment, salaries and wage rates, consumer confidence and consumer perception of economic conditions. The changes delivered by Brexit and the Covid-19 pandemic has increased the uncertainties in the political, regulatory and economic environment in which the company operates. The possible impacts of these changes are difficult to predict.

While we invest in integrated marketing efforts and believe we are more of a destination location than other retailers, we rely to a great extent on consumer traffic in the shopping centres and tourist locations in which our stores are located. Traffic to shopping centres has been reduced by the COVID-19 pandemic, which will disproportionally affect our business relative to other retailers that have a greater mix of online sales. We rely on the ability of the shopping centres anchor tenants, generally large department stores, and on the continuing popularity of malls and tourist locations as shopping destinations to attract high levels of consumer traffic. We cannot control the development of new shopping centres nor the closure of existing shopping centres, the addition or loss of anchors and co-tenants, the availability or cost of appropriate locations within existing or new shopping centres or the desirability, safety or success of shopping centres. Additionally, in recent years, there has been a trend of consumers preferring to purchase products online rather than traditional brick and mortar stores, and while we have e-commerce sales with positive growth and are working to develop and strengthen our online business, we continue to depend heavily on sales at our physical store locations.

Our success depends in large part upon our ability to continue to attract new and repeat guests with our interactive shopping experience, and our ability to anticipate, gauge and respond in a timely manner to changing consumer preferences, including online buying, and fashion trends including licensed relationships. We cannot be certain that there will continue to be a demand for our "make-your-own stuffed animal" interactive experience, including our store design and brand appearance, or for our stuffed animals, related apparel and accessories. A decline in demand for our interactive shopping experience, our stuffed animals, related apparel or accessories, or a misjudgement of consumer preferences, fashion trends or the demand for licensed products, including those that are associated with new movie releases, could have a negative impact on our business, financial condition and results of operations. In addition, due to the COVID-19 pandemic, we have modified our in store interactive shopping experience in order to comply with the UK Government guidelines and this could have an impact on the appeal of our interactive shopping experience.

# Strategic Report (continued)

Our future success depends, in part, on the popularity and consumer demand for brands of licensors such as Disney, LucasFilm, Marvel, Hasbro and The Pokémon Company. If we are not able to meet our contractual commitments or are unable to maintain licensing agreements with key brands, our business would be adversely affected. There can be no certainty that our access to licensed brands will continue to be successful or enable us to maintain high levels of sales in the future and the timing of future entertainment projects may not coincide with the timing of previous successes impacting our ability to maintain sales levels. In addition, if we miscalculate the market for our merchandise or the purchasing preferences of our guests, we may be required to sell a significant amount of our inventory at discounted prices or even below costs, thereby adversely affecting our financial condition and profitability.

We continue to update and evaluate our marketing initiatives, which are focused on building our brand, sharing relevant product news, executing timely promotions and adapting to rapidly changing consumer preferences. Our future growth and profitability will depend in large part upon the effectiveness and efficiency of our integrated marketing and advertising programs, access to leading entertainment relationships in a profitable manner and future marketing and advertising efforts that we undertake.

We purchase the majority of our merchandise directly from manufacturers in foreign countries, primarily in China and Vietnam. Any event causing a disruption of imports, including the imposition of import restrictions, taxes or fees, or labour strikes or lockouts and pandemics, could adversely affect our business. For example, our vendors in China were temporarily closed in early 2020 as a result of COVID-19, ceasing production of inventory and supplies. The flow of merchandise from our vendors could also be adversely affected by financial or political instability in any of the countries in which the goods we purchase are manufactured, especially China, if the instability affects the production or export of merchandise from those countries. We are subject to trade restrictions in the form of tariffs or quotas, or both, applicable to the products we sell as well as to raw material imported to manufacture those products. Such tariffs or quotas are subject to change. Our compliance with the regulations is subject to interpretation and review by applicable authorities. Change in regulations or interpretation could negatively impact our operations by increasing the cost of and reducing the supply of products available to us.
We may suffer negative publicity or be sued if the manufacturers of our merchandise or of Build-A-Bear branded merchandise sold by our licensees ship any products that do not meet current safety standards or production requirements or if such products are recalled or cause injuries.

Our relationships with our vendors generally are on a purchase order basis and do not provide a contractual obligation to provide adequate supply or acceptable pricing on a long-term basis. Our vendors could discontinue sourcing merchandise for us at any time. If any of our significant vendors were to discontinue their relationship with us, or if the factories with which they contract were to suffer a disruption in their production, we may be unable to replace the vendors in a timely manner, which could result in short-term disruption to our inventory flow or quality of the inventory as we transition our orders to new vendors or factories which could, in turn, disrupt our store operations and have an adverse effect on our business, financial condition and results of operations. Additionally, in the event of a significant price increase from these suppliers, we may not be able to find alternative sources of supply in a timely manner or raise prices to offset the increases, which could have an adverse effect on our business, financial condition and results of operations. The business continues to explore opportunities to find alternative vendors to source our products and improve the efficiency of our supply chain.

We may fail to renew, register or otherwise protect our trademarks or other intellectual property and may be sued by third parties for infringement or, misappropriation of their proprietary rights, which could be costly, distract our management and personnel and which could result in the diminution in value of our trademarks and other important intellectual property. Other parties have

# Strategic Report (continued)

asserted in the past, and may assert in the future, trademark, patent, copyright or other intellectual property rights that are important to our business. We cannot assure that others will not seek to block the use of or seek monetary damages or other remedies for the prior use of our brand names or other intellectual property or the sale of our products or services as a violation of their trademark, patent or other proprietary rights. Defending any claims, even claims without merit, could be time-consuming, result in costly settlements, litigation or restrictions on our business and damage our reputation. In addition, there may be prior registrations or use of intellectual property in the UK for similar or competing marks or other proprietary rights of which we are not aware. It may be possible for any third-party owner of a national trademark registration or other proprietary right to limit our expansion into those countries or to seek damages for our use of such intellectual property in such countries. In the event a claim against us were successful and we could not obtain a license to the relevant intellectual property or redesign or rename our products or operations to avoid infringement, our business, financial condition or results of operations could be harmed. Securing registrations does not fully insulate us against intellectual property claims, as another party may have rights superior to our registration or our registration may be vulnerable to attack on various grounds.

We rely on our sourcing personnel to select manufacturers with legal and ethical labour practices, but we cannot control the business and labour practices of our manufacturers. If one of these manufacturers violates labour laws or other applicable regulations or is accused of violating these laws and regulations, or if such a manufacturer engages in labour or other practices that diverge from those typically acceptable in the UK, we could in turn experience negative publicity or be sued.

Information technology is a critically important part of our business operations. We depend on information systems to process transactions, manage inventory, operate our websites, purchase, sell and ship goods on a timely basis, and maintain cost-efficient operations. There is a risk that we could experience a business interruption, theft of information, or reputational damage as a result of a cyber-attack, such as an infiltration of a data centre, or data leakage of confidential information either internally or at our third-party providers. We may experience operational problems with our information systems as a result of system failures, system implementation issues, viruses, malicious hackers, sabotage, or other causes. We monitor our systems and processes in respect of the GDPR (General Data Protection Regulations).

Our business involves the storage and transmission of consumers' personal information, such as personal preferences and credit card information. We invest in industry-standard security technology to protect the company's data and business processes against the risk of data security breaches and cyber-attacks. Our data security management program includes identity, trust, vulnerability and threat management business processes, as well as enforcement of standard data protection policies. We measure our data security effectiveness through industry accepted methods and remediate critical findings. Additionally, we certify our major technology suppliers and any outsourced services through accepted security certification measures. We maintain and routinely test backup systems and disaster recovery, along with external network security penetration testing by an independent third party as part of our business continuity preparedness. Internet privacy is a rapidly changing area and we may be subject to future requirements and legislation that are costly to implement and may negatively impact our results.

While we believe that our security technology and processes are adequate in preventing security breaches and in reducing cyber security risks, given the ever-increasing abilities of those intent on breaching cyber security measures and given our reliance on the security and other efforts of third-party vendors, the total security effort at any point in time may not be completely effective, and any such security breaches and cyber incidents could adversely affect our business. Failure

# Strategic Report (continued)

of our systems, including failures due to cyber-attacks that would prevent the ability of systems to function as intended, could cause transaction errors, loss of customers and sales, and could have negative consequences to us, our employees, and those with whom we do business. In addition, due to COVID-19, our workforce is in a state of transition to a combination of remote work and flexible work schedules opening us up for cyber-security threats and potential breaches as a result of increased employee usage of networks other than company-owned. Any security breach involving the misappropriation, loss, or other unauthorised disclosure of confidential information could also severely damage our reputation, expose us to the risks of litigation and liability, and harm our business. While we carry insurance that would mitigate the losses to an extent, such insurance may be insufficient to compensate us for potentially significant losses.

The success of our business depends upon the quality of associates throughout our organisation and our ability to attract and retain qualified key employees. We may incur expenses related to the recruitment for these positions that could negatively impact the profitability of our business. The loss of certain key employees, our inability to attract and retain other qualified key employees or a labour shortage that reduces the pool of qualified candidates could have a material adverse effect on our business, financial condition and results of operations.

Our third-party distribution centre provider used in the UK may experience disruptions in their ability to support our stores and web stores or they may operate inefficiently. The operation of our stores is dependent on our ability to distribute merchandise to locations in a timely manner. Any significant interruption in the operation of the distribution centre due to natural disasters or severe weather, as well as events such as fire, accidents, power outages, system failures or other unforeseen causes could damage a significant portion of our inventory. These factors may also impair our ability to adequately stock our stores and could decrease our sales and increase our costs associated with our supply chain.

Our business may be adversely impacted at any time by a significant variety of competitive threats. We operate in a highly competitive environment characterised by low barriers to entry. We compete against a diverse group of competitors. We are primarily shopping centre-based, but our competition is both shopping centre-based retailers and online retailers. Since we offer our guests an experience as well as merchandise, we also view our competition as any company that competes for our guests' time and entertainment cash, such as movie theatres, restaurants, amusement parks and arcades. In addition, there are small companies that operate "make your own" teddy bear and stuffed animal experiences in retail stores and kiosks. Although we believe that none of these companies currently offer the breadth and depth of the Build-A-Bear Workshop products and experience, we cannot assure that they will not compete directly with us in the future.

We may expand our product assortment to include products manufactured by other companies. If sales of such products do not meet our expectations or are impacted by competitors' pricing, we may have to take markdowns or employ other strategies to liquidate the product.

On behalf of the Board

DocuSigned by:

2E00186F5382482...

Vojin Todorovic
Director

......25 March 2022...........
Date

# Directors' Report

The directors present their annual report and the audited financial statements for the 52 week period ended 30 January 2021. Where matters have been documented within the Strategic Report we have not duplicated in the Directors' Report.

## Directors of the company

The directors who served the company during the period and up to the date of this report are as follows:

S John
V Todorovic
E Fencl

## Directors' liabilities

Build-a-Bear Workshop Inc. has arranged insurance cover in respect of legal action brought by third parties against the directors of the company subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report. Neither the insurance nor the indemnity provides cover in situations where a director has acted fraudulently or dishonestly.

## Future developments

The company is looking to expand its appeal with emphasis on maximising the consumer base by expanding to gift givers and affinity consumers via stores and e-commerce. The company will continue to monitor its estate to meet the changing consumer behaviours. This will involve taking advantage of lease re-gears tabled by landlords, closure of non profitable stores and identifying opportunities for new stores (mainly on short term leases).

## Results and dividends

The profit for the 52 week period after taxation amounted to £4,196,000 (52 week period ended 1 February 2020 – loss £6,746,000). The directors do not recommend a final dividend (52 week period ended 1 February 2020 – £nil).

## Going concern

Build-A-Bear Workshop UK Limited is in a net current liability position. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future as the company's ultimate parent, Build-A-Bear Workshop Inc., has provided a letter of support to ensure the company is able to meet its liabilities as and when they fall due for a period to 31st March 2023. In addition, following the level of losses incurred in FY2019 and the then continued uncertainties faced by the business in the UK retail sector, it has been decided by Build-A-Bear Workshop Inc. to assist Build-A-Bear Workshop UK Limited through FY2022 by providing support payments to assist with the profitability of the business.

The directors have made appropriate and sufficient enquiries to satisfy themselves that the ultimate parent company is capable of providing the stated support and, accordingly, these financial statements have been prepared on the going concern basis.

# Directors' Report (continued)

### Employee involvement

The company recognises the need to effectively engage with employees through regular internal communications relating to the business performance, promotion activity, objectives and other relevant information. Build-A-Bear Workshop UK Limited obtains feedback from its staff.

### Disabled employees

The company gives full consideration to applications for employment from disabled people, where they adequately fulfil the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy whenever practicable to provide continuing employment under the company's terms and conditions and to provide training and career development whenever appropriate.

### Greenhouse Gas Emissions

| | FY2020 (base year) UK & Ireland |
|---|---|
| Emissions from combustion of gas (Scope 1) | n/a |
| Emissions from combustion of fuel for transport purposes (Scope 1) | n/a |
| Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) | 9.3 |
| Emissions from purchased electricity (Scope 2, location-based) | 362.9 |
| **Total gross $CO_2e$ based on above** | **372.2** |
| Intensity ratio: $tCO_2e$ per sqm of gross store area | 0.05 |

tonnes $CO_2e$

The company has used the UK Government GHG Conversion Factors for Company Reporting as the method to quantify and report greenhouse gas emissions. They have been reported in line with the UK Government's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance' (dated March 2019).

The company's total energy use for 2020 was 1,556,693 kWh. The Scope 2 electricity data was obtained from the electricity supplier to each location. The Scope 3 business travel data was calculated by assessing all mileage claims submitted on employee expense claims.

The intensity ratio was chosen as the most appropriate for the company to use in the retail sector. The company recognises that its operations have an environmental impact and we are committed to minimising our emissions from our store and webstore operations, however for both 2020 and 2021, the emissions will have been reduced due to the temporary closure of our stores due to Covid-19 lockdowns. Therefore, it is impractical to set future targets until we are able to obtain a true base line for our stores emissions which will only be possible once our stores are able to fully operate all year.

The company's recent ESOS Phase II Report highlighted a number of opportunities for the company to reduce its energy usage. The most significant of these related to the implementation of heating, ventilation, and air conditioning time schedules and LED lighting upgrades across the stores.

### Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

# Directors' Report (continued)

### COVID-19 pandemic

As described elsewhere in this Report, the COVID-19 pandemic has had far-reaching adverse impacts on many aspects of our operation, directly and indirectly, including our people, consumer behaviour, distribution, our suppliers, and the market generally. The scope and nature of these impacts continue to evolve each day.

Since our stores reopened from mid-April 2021 we have seen a decline in our footfall but an increase in the average spend per customer. This increase in spend may be due to pent up demand from the three lockdown periods and the desire of our customers to have the in store experience, and we have seen a year on year in our webstore sales. While we expect to see continued evolution of consumer shopping patterns and preferences in the remainder of the year, we believe we have built the infrastructure to respond with greater agility to deal with potential uncertainty and we expect to deliver growth in 2021. We believe that the initiatives and investments that were put in place prior to the pandemic, and in many cases accelerated during the pandemic, are driving improved results, which we expect to continue.

### Events after Balance Sheet date

There are no subsequent events.

### Auditors

In accordance with s485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

DocuSigned by:

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Vojin Todorovic
Director

......25 March 2022.............
Date

# Statement of directors' responsibilities
**For the 52 week period ended 30 January 2021**

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

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

In preparing these financial statements, the directors are required to:

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

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

# Independent auditor's report

**To the members of Build-A-Bear Workshop UK Limited**

## Opinion

We have audited the financial statements of Build-A-Bear Workshop UK Limited for the 52-week period ended 30 January 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 January 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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 to 31 March 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

# Independent auditor's report (continued)

**To the members of Build-A-Bear Workshop UK Limited**

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

We have nothing to report in this regard.

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

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

# Independent auditor's report (continued)

**To the members of Build-A-Bear Workshop UK Limited**

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

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Companies (Miscellaneous Reporting) Regulation 2018, Bribery Act 2010 and Money Laundering regulations, those laws and regulations relating to health and safety and employee matters and relevant tax compliance regulations in the jurisdictions in which the Company operates).
- We understood how the company is complying with those frameworks by making enquires of management and those responsible for legal and compliance procedures, including the Board of Directors. We corroborated our enquires through the review of the following documentation:
  - all minutes of board meetings held during the period;
  - the company's code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations; and
  - any relevant correspondence with local tax authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company established to address risks identified by the company or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the company applies.
- Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business and review of legal correspondence.
- In addition, we assessed that revenue was a judgemental area of the audit which might be more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue and tested in particular the occurrence of revenue recorded in the financial statements and any manual adjustments to the revenue.

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

# Independent auditor's report (continued)

**To the members of Build-A-Bear Workshop UK Limited**

## Use of our report

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

Ernst & Young LLP

Neil Corry (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 25 March 2022

# Income statement

**for the 52 week period ended 30 January 2021**

| | Notes | 52 week period ended 30 January 2021 £000 | 52 week period ended 1 February 2020 £000 |
|---|---|---|---|
| ***Turnover*** | 3 | 25,338 | 37,229 |
| Cost of sales | | (3,713) | (12,738) |
| ***Gross profit*** | | 21,625 | 24,491 |
| Selling and distribution costs | | (20,899) | (25,845) |
| Fixed asset impairment | | (128) | (394) |
| Onerous lease reversal/(expense) | | 3,268 | (1,394) |
| Foreign exchange gain | | 392 | 209 |
| Intercompany receivable (provision)/reversal | | (282) | 155 |
| Intercompany management fee | | (351) | (965) |
| Administrative expenses | | (2,306) | (3,075) |
| ***Operating profit/(loss)*** | 4 | 1,319 | (6,818) |
| Interest receivable and similar income | 7 | 30 | 58 |
| Other income | 8 | 2,470 | - |
| ***Profit/(loss) on ordinary activities before taxation*** | | 3,819 | (6,760) |
| Taxation credit | 9 | 377 | 14 |
| ***Profit/(loss) for the financial period*** | | 4,196 | (6,746) |

All amounts relate to continuing activities.

The notes on pages 23 to 39 form part of these financial statements.

## Statement of comprehensive income

There are no recognised gains or losses other than the profit of £4,196,000 in the 52 week period ended 30 January 2021 (52 week period ended 1 February 2020: loss of £6,746,000).

# Statement of financial position

**at 30 January 2021**

| | Notes | 30 January 2021 £000 | Restated 1 February 2020 £000 |
|---|---|---|---|
| ***Fixed assets*** | | | |
| Intangible assets | 10 | 130 | 178 |
| Tangible assets | 11 | 1,882 | 2,616 |
| Long term deposits | | 65 | 32 |
| Investments | 12 | 2,457 | 2,457 |
| | | 4,534 | 5,283 |
| ***Current assets*** | | | |
| Stocks | 13 | 5,342 | 5,977 |
| Debtors | 14 | 2,672 | 2,480 |
| Cash at bank and in hand | | 7,795 | 1,990 |
| Total current assets | | 15,809 | 10,447 |
| ***Creditors:*** amounts falling due within one year | 16 | (32,548) | (28,629) |
| Short term provisions | 15 | (206) | (184) |
| ***Total current liabilities*** | | (32,754) | (28,813) |
| ***Net current liabilities*** | | (16,945) | (18,366) |
| ***Total assets less current liabilities*** | | (12,411) | (13,083) |
| ***Creditors:*** amounts falling due after more than one year | 17 | (1,532) | (1,765) |
| Long term provisions | 15 | (496) | (3,787) |
| ***Total non-current liabilities*** | | (2,028) | (5,552) |
| ***Net liabilities*** | | (14,439) | (18,635) |
| ***Capital and reserves*** | | | |
| Called up share capital | 19 | 40 | 40 |
| Share premium account | 20 | 3,978 | 3,978 |
| Other reserve | 20 | 49 | 49 |
| Profit and loss account | 20 | (18,506) | (22,702) |
| ***Shareholder's deficit*** | 21 | (14,439) | (18,635) |

The notes on pages 23 to 39 form part of these financial statements.

The financial statements on pages 20 to 39 were approved and authorised by the board and were signed on its behalf by Vojin Todorovic on 25 March 2022.

DocuSigned by:

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Vojin Todorovic
Director

...25 March 2022...................
Date

# Statement of changes in equity

**at 30 January 2021**

| | *Called up share capital £000* | *Share premium account £000* | *Other reserves £000* | *Profit and loss account £000* | *Total deficit £000* |
|---|---|---|---|---|---|
| Balance as at 3 February 2019 | 40 | 3,978 | 49 | (15,956) | (11,889) |
| Loss for the financial period | - | - | - | (6,746) | (6,746) |
| Balance as at 1 February 2020 | 40 | 3,978 | 49 | (22,702) | (18,635) |

| | *Called up share capital £000* | *Share premium account £000* | *Other reserves £000* | *Profit and loss account £000* | *Total deficit £000* |
|---|---|---|---|---|---|
| Balance as at 2 February 2020 | 40 | 3,978 | 49 | (22,702) | (18,635) |
| Profit for the financial period | - | - | - | 4,196 | 4,196 |
| Balance as at 30 January 2021 | 40 | 3,978 | 49 | (18,506) | (14,439) |

The notes on pages 23 to 39 form part of these financial statements.

# Notes to the financial statements

**at 30 January 2021**

## 1. Accounting policies

***Statement of compliance and basis of preparation***

Build-A-Bear Workshop UK Limited is a limited liability company incorporated and domiciled in England. The registered office is Aquasulis House, 10-14 Bath Road, Slough, Berkshire, United Kingdom, SL1 3SA.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared on a going concern basis.

The company has taken advantage of section 390 of the Companies Act 2006 which allows a variation of the accounting period reference date of up to seven days. The financial statements are made up to the nearest Saturday to 31 January that is 30 January 2021 and the comparative period to 1 February 2020, so as to coincide with the ultimate holding company, Build-A-Bear Workshop, Inc.

The functional currency of Build-A-Bear Workshop UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Build-A-Bear Workshop UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate company financial statements under FRS 102 section 1.12 in relation to:

- Requirements of section 26 for share based payments
- Disclosure of related party transactions with and between wholly-owned subsidiaries
- Requirements of section 11 for financial instruments
- presentation of a cash flow statement and
- remuneration of key management personnel.

Build-A-Bear Workshop UK Limited is consolidated in the financial statements of its ultimate parent, Build-A-Bear Workshop, Inc., details of where these can be obtained are documented in note 26.

***Going concern***

Build-A-Bear Workshop UK Limited is in a net current liability position. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future as the company's ultimate parent, Build-A-Bear Workshop Inc., has provided a letter of support to ensure the company is able to meet its liabilities as and when they fall due for a period to 31 March 2023. In addition, following the level of losses incurred in FY2019 and the then continued uncertainties faced by the business in the UK retail sector, it has been decided by Build-A-Bear Workshop Inc. to assist Build-A-Bear Workshop UK Limited through FY2022 by providing support payments to assist with the profitability of the business.

The directors have made appropriate and sufficient enquiries to satisfy themselves that the ultimate parent company is capable of providing the stated support and, accordingly, these financial statements have been prepared on the going concern basis.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 1. Accounting policies (continued)

***Related party transactions***

As the company is a wholly owned subsidiary of Build-a-Bear Workshop Inc., the company has taken advantage of the exemption contained in section 33 of FRS102 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

***Financial assets and liabilities***

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

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

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

***Intangible fixed assets***

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses. The company's intangible assets are amortised on a straight-line basis over their predicted economic useful life up to 7 years. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. If there are indicators that the residual value or useful life of an intangible asset has changed since the most annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset operate as intended. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Short term leasehold property improvements | – over the term of the lease, up to 10 years straight line |
| Fixtures, fittings and equipment | – over the term of the lease, up to 7 years straight line |
| Computer equipment | – up to 5 years straight line |
| Assets in course of construction | – depreciated once brought into use. |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 1. Accounting policies (continued)

*Investments*

Investments in subsidiary undertakings are stated at cost less any provision for impairment where, in the opinion of the directors, there has been a diminution in the value of the investments.

The carrying value of the investments are reviewed for impairment when the events or changes in circumstances indicate the carrying values may not be recoverable.

*Stocks*

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. All stocks represent finished goods. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

*Short term debtors*

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

*Creditors*

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

*Taxation*

A current tax liability is recognised for the tax payable on the taxable profit of the current period. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

*Provisions*

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is a legal or constructive obligation at the reporting date as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 1. Accounting policies (continued)

***Foreign currencies***

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to the income statement.

***Leased assets***

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

***Pensions***

The pension cost represents contributions payable by the company in the period to the individual defined contribution employee pension plans.

***Share-based payments***

As at 30 January 2021, there were 30,395 outstanding share options in the company's ultimate parent undertaking that had been issued to company employees (as at 1 February 2020, there were 39,632). As the number of unexercised share options in existence at the statement of financial position date is not considered material for the financial statements, further disclosure has not been included in the financial statements. Additionally, no adjustment has been made to include a fair value expense over the vesting period in either the current or prior year as such amounts are not material.

***Store pre-opening cost***

Store pre-opening expenses consist of costs incurred prior to store openings, remodels and relocations including certain store set-up, labour and hiring costs, rental charges, payroll, marketing, travel and relocation costs. They are charged to the Income statement as incurred.

***Royalty Revenue***

The company collects royalties from each retail franchise based on a percentage of retail store sales. The company recognises royalties on an accruals basis in line with franchisee sales.

***Cash and cash equivalents***

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Bank overdrafts are normally considered financing activities similar to borrowings. However, if they are repayable on demand and form an integral part of an entity's cash management, bank overdrafts are a component of cash and cash equivalents.

***Revenue recognition***

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on exchange of payment for the good in store, or on delivery of the goods from E-commerce. Revenue is measured at the fair value of the consideration

# Notes to the financial statements (continued)

**at 30 January 2021**

## 1. Accounting policies (continued)

received, net of discounts, VAT and other sales taxes or duty. Revenue from gift cards is recognised at the time of redemption.

Outstanding loyalty scheme discounts are also included in revenue and recognised at the time of exemption or upon expiry of the gift card. Revenue from gift cards without an expiry date are recognised based on probability of redemption for those not yet redeemed at year end.

Plastic gift cards are sold in stores, on the webstore both plastic and electronic gift cards are sold which are redeemed against products sold. At various times during the year these gift cards will be sold at lower than face value as part of sales promotions, the full value of the liability is recorded at the date of gift card purchase. The relevant discount is recorded as an expense on the date the gift card is redeemed against products sold in BABW stores or webstore.

***Balance sheet Restatement***

In the current year a balance sheet restatement was entered to creditors less than one year/greater than one year to correct the maturity position of the rent accrual pertaining to rent free periods on store lease agreements. In the prior year £1,447,000 was incorrectly classified as current when this should have been classified as non-current. An exercise was performed in the current year by reference to store lease agreements of the correct maturity to be disclosed. This correction has no impact on the profit or loss position of the entity.

## 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key assumptions concerning the future and other key sources of estimation uncertainty are as below:

Onerous lease provision:

All store leases are reviewed at year end, and forecasts are prepared based upon current long range plans to determine which stores are at risk of generating future losses over the remaining life of the lease. Where an overall cash loss is expected, a store specific discounted cash flow is calculated through to the nearest break clause or lease expiry. If a negative discounted cash flow is forecast that lease is deemed onerous and an onerous lease provision recorded for contracted rent costs which are not expected to generate future economic benefits.

Fixed asset impairment:

Each store is considered to be a cash generating unit and projections of expected future performance are applied to historic earnings to judge whether the fixed assets of that store should be impaired. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In accordance with FRS 102 section 27, we have calculated and booked fixed asset impairment where future discounted cash flows are not expected to exceed the net book value of fixed assets held in unprofitable stores or where a lease has been terminated and the associated fixed assets are considered to have no remaining value.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Valuation of stock:

In assessing the realisable value of stock, the company is required to make judgements on future demand compared with existing stock levels. Stock relates solely to finished goods which encompass the elements of the bear which are combined to make the finished product for sale. These are held at average cost based on previous 3 months purchases. Section 13 of FRS 102 requires that stocks be measured at the lower of cost and net realisable value.

Duty receivable:

The company has received a decision from a HMRC Upper Tribunal in relation to disputed duty paid on imported plush toy clothing, parts and accessories dating back to 2009. The company has decided to appeal the decision to the Court of Appeal, with the appeal due to be heard in 2022. The company continues to record a provision against the duty receivable balance based on historic repayment trends projected against subsequent duty paid to HMRC.

Deferred tax assets:

Under FRS 102.29.6 and 102.29.7, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date. Deferred taxes are utilised within the year to reduce the company's taxable income.

Allowance for doubtful debt:

Management applies judgment in evaluating the recoverability of debtors. This judgment is based on the ageing profile of debtors and historical experience. To the extent that the directors believe debtors not to be recoverable they have been provided for in the financial statements.

## 3. Turnover

Turnover represents the amounts derived from the provision of goods which fall within the principal activity of the company, stated net of value added tax.

| | *52 week period ended 30 January 2021* | *52 week period ended 1 February 2020* |
|---|---|---|
| *Turnover by activity* | *£000* | *£000* |
| Retail sales | 14,957 | 32,322 |
| E-commerce | 10,330 | 4,525 |
| Royalty revenue | 51 | 382 |
| | 25,338 | 37,229 |

# Notes to the financial statements (continued)

**at 30 January 2021**

## 3. Turnover (continued)

| *Source of turnover* | *52 week period ended 30 January 2021 £000* | *52 week period ended 1 February 2020 £000* |
|---|---|---|
| United Kingdom & Ireland | 25,287 | 36,847 |
| International | 51 | 382 |
| | 25,338 | 37,229 |

## 4. Operating profit/(loss)

This is stated after charging/(crediting):

| | *52 week period ended 30 January 2021 £000* | *52 week period ended 1 February 2020 £000* |
|---|---|---|
| Auditors' remuneration – audit of these financial statements | 40 | 52 |
| Depreciation of fixed assets | 674 | 763 |
| Operating lease rentals – land and buildings | 6,417 | 7,614 |
| Loss on disposal of fixed assets | 26 | 23 |
| Impairment of fixed assets | 128 | 394 |
| Onerous lease (reversal)/expense | (3,268) | 1,394 |
| Amortisation of intangible assets | 82 | 424 |
| Foreign exchange (gain) | (392) | (209) |

The auditors did not provide any non-audit services to the company during the periods ended 30 January 2021 and 1 February 2020.

## 5. Directors' remuneration

| | *52 week period ended 30 January 2021 £000* | *52 week period ended 1 February 2020 £000* |
|---|---|---|
| Aggregate remuneration in respect of qualifying services | 69 | 84 |
| Aggregate amounts receivable under long term incentive plans | 114 | 134 |
| Company pension contributions to defined contribution schemes | 1 | 1 |

# Notes to the financial statements (continued)

**at 30 January 2021**

## 5. Directors' remuneration (continued)

The directors' remuneration is borne by the parent undertaking Build-A-Bear Workshop Inc., and is included within the total directors' remuneration disclosed in the financial statements of Build-A-Bear Workshop Inc. It is estimated that the directors spend between 5% and 13% of their time on services to Build-A-Bear Workshop UK Limited. Build-A-Bear Workshop Inc. has appointed three directors for periods ended 30 January 2021 and 1 February 2020.

All three Directors have been accruing pension contributions for periods ended 30 January 2021 and 1 February 2020.

No director exercised share options in Build A Bear Workshop Inc. for periods ended 30 January 2021 (2020:0).

Remuneration earned by highest paid director:

| | *52 week period ended 30 January 2021* | *52 week period ended 1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| Aggregate remuneration in respect of qualifying services | 25 | 30 |
| Aggregate amounts receivable under long term incentive plans | 50 | 81 |

## 6. Staff costs

| | *52 week period ended 30 January 2021* | *52 week period ended 1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| Wages and salaries | 6,001 | 7,705 |
| Social security costs | 381 | 443 |
| Other pension costs | 167 | 118 |
| | 6,549 | 8,266 |

No new share options in the company's ultimate parent undertaking were issued to company employees in the period (no share options in the 52 week period ended 1 February 2020).

The average monthly number of employees (including directors) during the period was made up as follows:

| | *No.* | *No.* |
|---|---|---|
| Selling and distribution | 685 | 828 |
| Administration | 18 | 24 |
| | 703 | 852 |

# Notes to the financial statements (continued)

**at 30 January 2021**

## 7. Interest receivable and similar income

| | *52 week period ended 30 January 2021* | *52 week period ended 1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| Interest receivable on cash deposits | 5 | 9 |
| Interest receivable on intercompany balances | 25 | 49 |
| | 30 | 58 |

## 8. Other Income

| | *52 week period ended 30 January 2021* | *52 week period ended 1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| Government Grants | 2,470 | - |
| | 2,470 | - |

Income from government grants as a result of the COVID-19 pandemic have been recognised in other income. The Company has received government assistance for our operations in United Kingdom and Republic of Ireland. The Company benefited from the Job Retention Scheme and Business Restart Grant Scheme (United Kingdom), Temporary Wage Subsidy Scheme and Employment Wage Subsidy Scheme (Republic of Ireland).

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. If conditions are attached to the grant which must be satisfied before the Company is eligible to receive the funds, the recognition of the grant revenue has been deferred until those conditions are satisfied.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 9. Taxation

(a) Tax on profit/(loss) on ordinary activities

| | *52 week period ended 30 January 2021* | *52 week period ended 1 February 2020* |
|---|---|---|
| *Analysis of the credit in the period:* | *£000* | *£000* |
| ***Current tax:*** | | |
| UK corporation tax on profit/(loss) for the period at 19.00% (52 week period ended 1 February 2020: 19.00%) | - | - |
| Adjustments in respect of prior periods | (377) | - |
| | (377) | - |
| Adjustments in respect of prior periods | - | (14) |
| Total current tax (credit) | (377) | (14) |
| ***Deferred tax:*** | | |
| Total deferred tax | - | - |
| Tax credit on profit/(loss) on ordinary activities | (377) | (14) |

# Notes to the financial statements (continued)

**at 30 January 2021**

## 9. Taxation (continued)

(b) Factors affecting the current tax profit/(loss) for the period

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19.00% (52 week period ended 1 February 2020: 19.00%). The differences are reconciled below:

| | *52 week period ended 1 January 2021* | *52 week period ended 1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| Profit/(loss) on ordinary activities before tax | 3,819 | (6,760) |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (52 week period ended 1 February 2020: 19.00%) | 726 | (1,284) |
| *Effects of:* | | |
| Fixed assets capital allowances – other adjustments | 30 | (40) |
| Expenses not deductible for tax purposes | 82 | 85 |
| Amounts relating to other comprehensive income or otherwise transferred | (46) | - |
| Adjustments to tax charge in respect of previous periods | (377) | - |
| Remeasurement of deferred tax for changes in tax rates | (356) | 61 |
| Income not taxable | - | (15) |
| Adjustment from previous periods | - | 30 |
| Share based payments relief | - | 5 |
| Depreciation on ineligible assets | - | 42 |
| Deferred tax not recognised | (455) | 520 |
| Intangible asset disposal | - | 545 |
| Foreign PE exemption | 19 | 37 |
| Current tax for the period (note 9(a)) | (377) | (14) |

(c) Factors that may affect future tax charges

From April 2020 there has been a single 19% rate of corporation tax. On 3 March 2021, the Chancellor of the Exchequer announced that the Corporation Tax rate will increase to 25% from 1 April 2023. At the same time, a small companies' rate of 19% will be introduced and marginal relief given for intermediate companies. The main rate applies to companies with profits over £250,000; the small companies' rate to those with profits £50,000 or less, with marginal tapering for profits in between the thresholds. The company has recognised deferred tax applying the rate at which it is expected the assets or liabilities will be realised.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 10. Intangible fixed assets

| | *Computer Software £000* | *Total £000* |
|---|---|---|
| **Cost:** | | |
| At 2 February 2020 | 285 | 285 |
| Additions | 34 | 34 |
| Disposals | - | - |
| At 30 January 2021 | 319 | 319 |
| **Amortisation:** | | |
| At 2 February 2020 | 107 | 107 |
| Charge for the period | 82 | 82 |
| Disposals | - | - |
| At 30 January 2021 | 189 | 189 |
| **Net Book Value:** | | |
| At 30 January 2021 | 130 | 130 |
| At 2 February 2020 | 178 | 178 |

## 11. Tangible fixed assets

| | *Leasehold improvements £000's* | *Furniture, fittings and equipment £000's* | *Computer equipment £000's* | *Assets in course of construction £000's* | *Total £000's* |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| At 2 February 2020 | 9,847 | 2,105 | 895 | 136 | 12,983 |
| Additions | - | - | - | 129 | 129 |
| Transfers | 19 | - | 139 | (158) | - |
| Transfer to intangible assets | - | - | (35) | - | (35) |
| Disposals | (626) | (176) | (136) | - | (938) |
| At 30 January 2021 | 9,240 | 1,929 | 863 | 107 | 12,139 |
| **Accumulated depreciation/Impairment:** | | | | | |
| At 2 February 2020 | 8,036 | 1,861 | 470 | - | 10,367 |
| Depreciation charge for the period | 352 | 120 | 202 | - | 674 |
| Transfer to Intangible assets | - | - | - | - | - |
| Impairment | 148 | 51 | (71) | - | 128 |
| Disposals | (626) | (174) | (112) | - | (912) |
| At 30 January 2021 | 7,910 | 1,858 | 489 | - | 10,257 |
| **Net book value:** | | | | | |
| At 30 January 2021 | 1,330 | 71 | 374 | 107 | 1,882 |
| At 2 February 2020 | 1,811 | 244 | 425 | 136 | 2,616 |

# Notes to the financial statements (continued)

**at 30 January 2021**

## 11. Tangible fixed assets (continued)

In the event of an indicator of impairment, impairment testing is performed. Each store is considered to be a cash generating unit (CGU) and performance is assessed at this level. Projections of expected future performance are applied to historic earnings of each CGU based on an appropriate growth rate for each store and then discounted over the life of the lease.

## 12. Investments

| | *Investment* |
|---|---|
| | *£000* |
| Cost: | |
| At 2 February 2020 | 2,457 |
| Additions | - |
| At 30 January 2021 | 2,457 |

On 1 August 2019, Build-a-Bear Workshop UK Limited established a limited liability partnership, Build-a-Bear Developments LLP, along with Build-a-Bear Retail Management, Inc. Build-a-Bear UK's investment consisted of the transfer of intellectual property rights of some licensed products. Build-A-Bear Development LLP is incorporated in the United Kingdom. Its principal activity is the holding of intellectual property rights.

## 13. Stocks

| | *30 January 2021* | *1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| Finished goods | 5,342 | 5,977 |

The difference between purchase price of stocks and their replacement cost is not material.
The amount of stocks recognised as an expense in the current 52 week period is £5,505,000 (52 week period ended 1 February 2020: £9,145,000).

There were no impairment losses recognised or reversed in the profit and loss for the current 52 week period (52 week period ended 1 February 2020: £nil)

## 14. Debtors: amounts falling due within one year

| | *30 January 2021* | *1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| Prepayments and accrued income | 811 | 1,151 |
| Other debtors | 1,861 | 1,256 |
| Amounts due from group undertakings | - | 73 |
| | 2,672 | 2,480 |

Amounts due from group undertakings are interest earning, unsecured and repayable on demand.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 15. Provision for liabilities

| | *Onerous leases £000* |
|---|---|
| At 2 February 2020 | (3,970) |
| Additions | (165) |
| Utilisation of provision | 492 |
| Reversal of provision | 2,941 |
| At 30 January 2021 | (702) |

The provision above reflects onerous leases in the company's property portfolio. The provision reflects unavoidable costs of meeting the obligations of the contract which will exceed the future economic benefit. Future losses to be incurred in relation to the contract are unknown and therefore based on management's best estimate. The provision recorded reflects losses (up to a maximum of present value of rent to be paid) expected to be incurred to the nearest break clause or contract negotiate date.

| | *30 January 2021 £000* | *1 February 2020 £000* |
|---|---|---|
| Short term provision to utilise within one year | 206 | 184 |
| Long term provision to be utilised after one year | 496 | 3,787 |
| | 702 | 3,971 |

## 16. Creditors: amounts falling due within one year

| | *30 January 2021 £000* | *Restated February 2020 £000* |
|---|---|---|
| Trade creditors | 3,079 | 595 |
| Amounts owed to group undertakings | 24,055 | 23,344 |
| Social security and other taxes | 900 | 288 |
| Accruals, deferred rent, deferred revenue and other creditors | 4,514 | 5,849 |
| | 32,548 | 30,076 |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 17. Creditors: amounts falling due after more than one year

| | *30 January 2021* | *Restated 1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| **Creditors due after one year but before five years** | | |
| Deferred Rent – Long term | 1,276 | 1,342 |
| **Creditors due after five years** | | |
| Deferred Rent – Long term | 256 | 423 |
| | 1,532 | 1,765 |

## 18. Deferred taxation

The deferred tax included in the balance sheet is as follows:

| | *30 January 2021* | *1 February 2020* |
|---|---|---|
| | *£000* | *£000* |
| **Deferred tax assets:** | | |
| Opening balance | - | - |
| Closing balance | - | - |

The company has unrecognised deferred tax asset of £805,000 (1 February 2020: £402,000) relating to fixed asset timing differences and short-term timing differences. In addition, the company has trading losses of £9,316,000 (1 February 2020: £14,033,000), all of which are carried forward at a corporation tax rate of 19%. The tax losses are available indefinitely for the offset against future taxable profits of the company in which the losses arose. The deferred tax asset is not recognised as the directors are not virtually certain that there will be sufficient future taxable profits which can be used to offset the deferred tax asset.

## 19. Called up share capital

| | | *30 January 2021* | | *1 February 2020* |
|---|---|---|---|---|
| *Allotted, called up and fully paid* | *No.* | *£000* | *No.* | *£000* |
| 'A' Ordinary shares of 1p each | 2,737,149 | 27 | 2,737,149 | 27 |
| 'B' Ordinary shares of 1p each | 1,252,307 | 13 | 1,252,307 | 13 |
| | | 40 | | 40 |

The "B" ordinary shares are non-voting shares.

An "A" ordinary shareholder and a "B" ordinary shareholder shall be entitled to receive such proportion of the aggregate amount paid by way of dividends as corresponds to the proportion which the number of "A" ordinary shares and/or "B" ordinary shares, as the case may be, held by such shareholder bears to the total number of "A" ordinary shares and "B" ordinary shares in issue at the time that such dividends are paid.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 20. Movements on reserves

| | *Other Reserves* | *Share premium account* | *Profit and loss account* |
|---|---|---|---|
| | *£000* | *£000* | *£000* |
| At 2 February 2020 | 49 | 3,978 | (22,702) |
| Profit for the financial period | - | - | 4,196 |
| At 30 January 2021 | 49 | 3,978 | (18,506) |

## 21. Reconciliation of shareholder's funds

| | *£000* |
|---|---|
| Shareholders' funds at 1 February 2020 | (18,635) |
| Profit for the financial period | 4,196 |
| Closing shareholders' funds at 30 January 2021 | (14,439) |

## 22. Other financial commitments

At 30 January 2021 the company had outstanding commitments for future minimum lease payments under annual non-cancellable operating leases as set out below:

| | *Land and buildings* | |
|---|---|---|
| | *30 January 2021* | *1 February 2020* |
| | *£000* | *£000* |
| Falling due: | | |
| Not later than one year | 5,738 | 6,528 |
| Later than one year and not later than five years | 18,246 | 21,018 |
| Later than five years | 4,149 | 8,367 |
| | 28,133 | 35,913 |

Property lease rental payments of £6,417,000 were expensed in the period (52 weeks to 1 February 2020 £7,614,000).

## 23. Pensions

The company operates defined contribution retirement benefit schemes for all qualifying employees and contributes to NEST pension scheme for other employees. The total expense charged to income statement in the period ended 30 January 2021 was £167,000 (1 February 2020: £118,000). No amounts were outstanding at period end dates 30 January 2021 and 1 February 2020.

# Notes to the financial statements (continued)

**at 30 January 2021**

## 24. Capital Commitments

The company had no contracted capital commitments at the period end (1 February 2020: £nil).

## 25. Events after Balance Sheet date

No subsequent events.

## 26. Ultimate and immediate parent undertaking and controlling party

The immediate parent undertaking is Build-A-Bear UK Holdings Limited (Registered No. 5651132). Copies of the immediate parent's financial statements can be obtained from:

Aquasulis House
10-14 Bath Road
Slough
Berkshire
United Kingdom
SL1 3SA

The ultimate parent undertaking and controlling party is Build-A-Bear Workshop Inc., a company incorporated in the United States of America. The parent undertaking of the largest and smallest group of undertakings for which group financial statements for the period ended 30 January 2021 are prepared and of which the company is a member is Build-A-Bear Workshop Inc. Copies of the group financial statements are publicly available on our corporate website buildabear.com and can be obtained from:

Build-A-Bear Workshop Inc.

415 South 18th Street

STE 200

St. Louis, MO 63103

United States of America