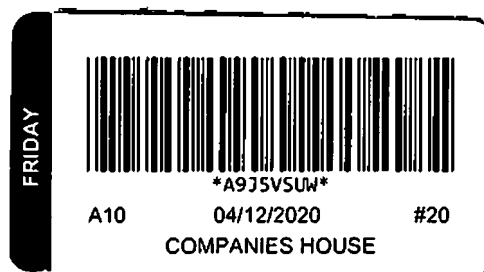


**Disney Trading Limited
(Registered Number 09699933)**

**Directors' report and financial statements
Year ended 28 September 2019**



Disney Trading Limited

Directors' report and financial statements for the Year ended 28 September 2019

Contents	Page(s)
Strategic report for the year ended 28 September 2019	3-4
Directors' report for the year ended 28 September 2019	5-6
Independent auditors' report	7-9
Income statement for the year ended 28 September 2019	10
Statement of financial position as at 28 September 2019	11
Statement of changes in equity for the year ended 28 September 2019	12
Notes to the financial statements for the year ended 28 September 2019	13-20

Disney Trading Limited

Strategic report for the year ended 28 September 2019

The Directors present their Strategic report of Disney Trading Limited (the 'Company') for the year ended 28 September 2019 (prior financial year ended 29 September 2018).

Principal activities, review of business and future developments

The Company's principal activity was the speciality wholesale of Disney merchandise. It is not the Company's intention to cease this trading channel and as the Company is actively seeking new customers it is considered that the Company's activities will continue as such for the foreseeable future, see Note 3.

The Company's (loss)/profit for the year was (\$12,000) (2018: \$7,000) and its turnover was \$Nil (2018: \$224,000). The Directors consider the results for the year and the financial condition of the Company at the end of the year to be in line with expectations.

Disney Trading Limited had a Branded Area Agreement with Teknosa İç ve Dış Ticaret AS (Teknosa). In December 2017 both parties agreed to modify the agreement to reflect the terms of an orderly exit of said agreement. As a result, Teknosa entered a separate agreement with The Walt Disney Company Turkey and as such ceased its agreement with Disney Trading Limited, meaning from December 2017 Disney Trading Limited no longer had a customer agreement in place. As a result, Disney Trading Limited entered into an agreement with The Walt Disney Company Limited in which The Walt Disney Company Limited agreed to compensate Disney Trading Limited so that the Company received the same level of profit that it would have been entitled to had the Branded Area Agreement with Teknosa continued. As at the year-end, the Company has been fully compensated.

In December 2019 there was an outbreak of COVID-19, which the World Health Organisation declared a pandemic on 11 March 2020. COVID-19. As the company is currently seeking new customers and is not trading the event has had minimal impact on the company.

Principal risks, uncertainties and future outlook

The activity of the Company is the speciality wholesale of "Disney Collection" merchandise. Below are the most significant factors that could materially affect future developments and performance:

(i) Our sales may be adversely affected by changes in economic factors, pandemics, political uncertainty and our ability to gain new customers

Many economic and other factors outside our control, including consumer confidence, consumer spending levels, political uncertainty, employment levels, consumer debt levels, inflation and deflation, as well as the availability of consumer credit, affect consumer spending habits. A significant deterioration in the global financial markets and economic environment, recessions, pandemics or an uncertain economic outlook adversely affects consumer spending habits and results in lower levels of economic activity. Any of these events and factors could cause consumers to curtail spending and could have a negative impact on our financial performance, position in future financial years and the Company's ability to gain new customers.

(ii) Our industry is highly competitive and competitive conditions may adversely affect our revenues and overall profitability

The retail industry (in which our customers operate) is highly and increasingly competitive and our results of operations are sensitive to, and may be adversely affected by, competitive pricing, promotional pressures, competitor store openings and other factors. As a specialty wholesaler, our customers compete with national chains and department stores, local retailers in the market areas in which they operate and Internet retailers.

Disney Trading Limited

Strategic report for the year ended 28 September 2019 (continued)

Principal risks, uncertainties and future outlook (continued)

(iii) Brexit

On 23 June 2016, the UK voted to leave the European Union and on 23 March 2017, the UK invoked Article 50(2) of the Treaty and notified the European Council of their intention to withdraw from the European Council. It remains unclear how Brexit will affect the country's trading relationships, corporate taxation policy, the movement of people, and regulatory affairs. The Directors have considered the impact of the UK leaving the financial, regulatory and legal environment and concluded that it would depend on the nature of the arrangements agreed. These arrangements are difficult to predict and until these terms are finalised it is not possible to determine the impact on the economic conditions of the Company.

With respect to each of the risks noted above the Directors regularly review such matters to mitigate their respective impact on the Company.

Key performance indicators ("KPIs")

The Company's Directors are of the opinion that analysis using KPIs is not relevant for an understanding of the development, performance or position of the business and the key financial performance measurements are reflected in these financial statements.

This report was approved by the Board on 27 November 2020 and signed on its behalf by:

DocuSigned by:

Zelda Hansson

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Z Hansson
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London
W6 9PE

Disney Trading Limited

Directors' report for the year ended 28 September 2019

The Directors present their report and the audited financial statements of Disney Trading Limited (the 'Company') for the year ended 28 September 2019. The financial year represents the 52 weeks ended 28 September 2019 (prior financial year for the 52 weeks ended 29 September 2018).

Dividends

No dividends were paid or received during the year (2018: \$Nil). The Directors do not recommend that a dividend be paid for the year ended 28 September 2019.

Financial risk management

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

(i) Credit risk

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

(ii) Foreign exchange risk

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

Directors

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

G Burridge (resigned 31 July 2019)

Z Hansson

M Stagg (appointed 31 July 2019)

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disney Trading Limited

Directors' report for the year Ended 28 September 2019 (continued)

Statement of Directors' responsibilities (continued)

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.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

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

Approval of financial statements

This report was approved by the Board on 27 November 2020 and signed on its behalf by:

DocuSigned by:
Zelda Hansson
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Z Hansson
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London
W6 9PE

Disney Trading Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DISNEY TRADING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Disney Trading Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 28 September 2019; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Disney Trading Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DISNEY TRADING LIMITED (continued)

Report on the audit of the financial statements (continued)

Reporting on other information (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 28 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Disney Trading Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DISNEY TRADING LIMITED (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.



Nicholas Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

~~November 2020~~

1st December

Disney Trading Limited

Income statement for the year ended 28 September 2019

	Note	Year ended 28 September 2019 \$'000	Year ended 29 September 2018 \$'000
Turnover	4	-	224
Cost of sales		(2)	(3)
Gross (loss)/profit		(2)	221
Administrative expenses		(15)	(237)
Operating loss	5	(17)	(16)
Interest receivable and similar income	6	6	27
Interest payable and similar charges	7	-	(2)
(Loss)/profit on ordinary activities before taxation		(11)	9
Tax on (loss)/profit on ordinary activities	8	(1)	(2)
(Loss)/profit for the financial year		(12)	7

There were no recognised gains or losses for the year other than those included in the Income statement above, and therefore no separate statement of comprehensive income has been presented.

The notes on pages 13 to 20 form part of these financial statements.

Disney Trading Limited

Statement of financial position as at 28 September 2019

(Registered Number 09699933)

	Note	28 September 2019 \$'000	29 September 2018 \$'000
Current assets			
Debtors	9	1	224
Cash at bank		539	645
			869
Creditors: amounts falling due within one year	10	(39)	(356)
Net current assets		501	513
Total assets less current liabilities		501	513
Net assets		501	513
Capital and reserves			
Share capital	12	-	-
Retained earnings		501	513
Total equity		501	513

The financial statements on pages 10 to 20 were approved by the Board of Directors on 27 November 2020 and were signed on its behalf by:

DocuSigned by:

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Z Hansson
 Director

Registered Office
 3 Queen Caroline Street
 Hammersmith
 London
 W6 9PE

Disney Trading Limited

Statement of changes in equity for the year ended 28 September 2019

	Note	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 30 September 2017		-	-	506	506
Profit for the financial year		-	-	7	7
Total comprehensive income for the year		-	-	7	7
Balance as at 29 September 2018	12	-	-	513	513
Loss for the financial year		-	-	(12)	(12)
Total comprehensive expense for the year		-	-	(12)	(12)
Balance as at 28 September 2019	12	-	-	501	501

Dividend income totalling \$Nil (2018: \$Nil) were received during the year and dividends of \$Nil (2018: \$Nil) per ordinary share were paid during the year.

The financial statements on pages 10 to 20 were approved by the Board of Directors on 27 November 2020 and were signed on its behalf by:

DocuSigned by:

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Z Hansson
 Director

Registered Office
 3 Queen Caroline Street
 Hammersmith
 London
 W6 9PE

The notes on pages 13 to 20 represent an integral part of the financial statements.

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019

1 General information

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

The Company is a wholly owned subsidiary of The Walt Disney Company Limited whose ultimate parent company is The Walt Disney Company, incorporated in the United States of America. The consolidated financial statements of The Walt Disney Company are publicly available.

The Company's principal activity was the speciality wholesale of Disney merchandise.

The financial statements are prepared in US Dollars (\$) as the majority of the Company's transactions are undertaken in US Dollars.

2 Statement of compliance

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

3 Summary of significant accounting policies

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

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102')'. As a small entity, the Company has taken advantage of the exemptions available under Section 1A of FRS 102.

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

As noted in the Strategic report, the Company is actively seeking new customers and it is expected to continue its operations for the foreseeable future.

b) Going concern

Disney Trading Limited had a Branded Area Agreement with Teknosa İç ve Dış Ticaret AS (Teknosa). In December 2017 both parties agreed to modify the agreement to reflect the terms of an orderly exit of said agreement. As a result, Teknosa entered a separate agreement with The Walt Disney Company Turkey and as such ceased its agreement with Disney Trading Limited, meaning from December 2017 Disney Trading Limited no longer had a customer agreement in place. As a result, Disney Trading Limited entered into an agreement with The Walt Disney Company Limited in which The Walt Disney Company Limited agreed to compensate Disney Trading Limited so that the Company received the same level of profit that it would have been entitled to had the Branded Area Agreement with Teknosa continued. Whilst the business seeks new customers, financial support will be provided by an affiliate entity.

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019 (continued)

b) Going concern (continued)

In December 2019 there was an outbreak of COVID-19, which the World Health Organisation declared a pandemic on 11 March 2020. COVID-19. As the Company is currently seeking new customers and is not trading the event has had minimal impact on the Company.

The Directors have undertaken an assessment and whilst they expect to be able to meet the day to day cash flow needs of the Company, they have received assurances of continued financial support from a fellow group undertaking, in the form of a letter of support, to allow the Company to meet its liabilities as they fall due without significant curtailment of operations for a period of at least 12 months from the date of these accounts being signed. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the financial statements.

c) Exemptions for qualifying entities under FRS 102

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

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

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- v) as a small entity, the Company has taken advantage of the exemptions available under Section 1A of FRS 102.

d) Accounting reference date

The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting period on the closest Saturday to 30 September each year. An accounting reference date of 28 September 2019 has been adopted for the current year. The current financial year represents the 52 weeks ended Saturday 28 September 2019 (prior financial year represents the 52 weeks ended Saturday 29 September 2018).

e) Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is US dollars and rounded to thousands.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

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

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019 (continued)

f) Turnover

Turnover represents the amounts receivable for goods supplied to customers during the period exclusive of value added tax.

g) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. The tax expense/(income) is recognised either in the Income statement, other comprehensive income or equity depending on the transaction that resulted in the tax expense/(income).

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the year-end date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that they will be recovered against the reversal of deferred tax liability or other future taxable profits.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the year-end date. Deferred tax is measured on a non-discounted basis.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

h) Cash and cash equivalents

Cash and cash equivalents includes cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. As at 28 September 2019 the Company does not hold short-term highly liquid investments or bank overdrafts.

i) Financial instruments

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

(i) Financial assets

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

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

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

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019 (continued)

i) Financial instruments (continued)

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

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

(ii) Financial liabilities

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

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

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

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

j) Related party transactions

The Company has taken the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same Group that are wholly owned. The Company also does not disclose transactions with related parties which are not wholly owned with the same Group in note 14.

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

k) Critical accounting judgements and key source of estimation uncertainty

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

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

(i) Impairment of trade debtors

The Company makes an estimate of the recoverable value of trade debtors. When assessing the impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the Company's debtors, which shows this was material in 2018.

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019 (continued)

4 Turnover

Turnover represents amounts earned from sale of goods in the normal course of business, stated net of value added tax and other sales-related taxes.

Geographical segments

There is no turnover within 2019. (2018: All turnover arises within the United Kingdom.)

5 Operating loss

Operating loss is stated after charging / (crediting):

	Year ended 28 September 2019 \$'000	Year ended 29 September 2018 \$'000
Inventory recognised as an expense	-	-
Auditors' remuneration - audit services	18	20
Foreign exchange (gain)/loss	(3)	1

The Company had no employees during the year ended 28 September 2019 (2018: Nil). Staff-related costs of \$Nil (2018: \$Nil) are recharged to the Company from other Disney Group entities.

6 Interest receivable and similar income

	Year ended 28 September 2019 \$'000	Year ended 29 September 2018 \$'000
Bank interest receivable	6	27

7 Interest payable and similar charges

	Year ended 28 September 2019 \$'000	Year ended 29 September 2018 \$'000
Intercompany interest payable	-	2

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019 (continued)

8 Tax on (loss)/profit on ordinary activities

The tax charge is based upon the taxable profit for the year and comprises:

	Year ended 28 September 2019 \$'000	Year ended 29 September 2018 \$'000
Tax on (loss)/profit on ordinary activities		
Current tax:		
UK corporation tax at 19% (2018: 19%)	-	2
Adjustments in respect of prior periods	1	-
Tax on (loss)/profit on ordinary activities	1	2

The tax assessed for the year period is higher than the standard rate of corporation tax in the UK for the year ended 30 September 2019: 19% (2018: 19%). The differences are explained as follows:

	Year ended 28 September 2019 \$'000	Year ended 29 September 2018 \$'000
(Loss)/profit on ordinary activities before tax	(11)	9
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(2)	2
Group relief surrender	2	-
Prior year adjustment – current	1	-
Total tax charge for year	1	2

The Finance Act 2015 introduced provisions to reduce the main rate of corporation tax from 20% to 19% with effect from 1 April 2017 and 18% from 1 April 2020. The Finance Act 2016 received Royal Assent on 15 September 2016 enacting a further reduction in the main rate of corporation tax to 17% from 1 April 2020. The Finance Bill 2020 was substantively enacted on 17 March 2020 which reversed this further reduction. As substantive enactment was after the balance sheet date it has not been reflected in the above taxation notes. It is considered that the decrease in the future tax rate does not have a material impact for the Company in this set of financial statements.

9 Debtors

Amounts falling due within one year:

	28 September 2019 \$'000	29 September 2018 \$'000
Amounts owed by group undertakings	1	224
	1	224

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019 (continued)

10 Creditors

Amounts falling due within one year:

	28 September 2019 \$'000	29 September 2018 \$'000
Amounts owed to group undertakings	20	334
Corporation tax	1	2
Accruals and deferred income	18	20
	<u>39</u>	<u>356</u>

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

11 Financial instruments by category

	Note	28 September 2019 \$'000	29 September 2018 \$'000
Financial assets measured at amortised cost:			
Amounts owed by group undertakings	9	1	224
Cash and cash equivalents		539	645
		<u>540</u>	<u>869</u>

	Note	28 September 2019 \$'000	29 September 2018 \$'000
Financial liabilities measured at amortised cost:			
Amounts owed to group undertakings	10	20	334
		<u>20</u>	<u>334</u>

12 Share capital

	28 September 2019 \$	29 September 2018 \$
Allotted, called up and fully paid		
1 ordinary share (2018: 1) of £1 each converted at \$1.30 (2018: \$1.30)	1.30	1.30
	<u>1.30</u>	<u>1.30</u>

Disney Trading Limited

Notes to the financial statements for the year ended 28 September 2019 (continued)

13 Directors' emoluments

The Directors did not receive any emoluments in respect of their services to the Company (2018: Nil). Two (2018: two) Directors in service during the year were remunerated by Walt Disney Company Limited(The). It is not possible to determine the split of remuneration.

14 Related party transactions

The Company is a wholly owned subsidiary of Walt Disney Company Limited(The) whose ultimate parent undertaking and controlling party is The Walt Disney Company. Consequently, the Company utilises the exemption contained in paragraph 33.1A of FRS 102, 'Related party disclosures', not to disclose any transactions with entities that are included in the consolidated financial statements of The Walt Disney Company. The address at which the consolidated financial statements of the ultimate parent company are publicly available is included in note 15.

There were no other related party transactions during the year.

The Company has taken advantage of the exemption from providing certain related party transaction disclosures as mentioned in the accounting policy.

Key management includes the Directors and members of senior management. The Company has taken the exemption from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

15 Ultimate parent undertaking

Parent undertaking

The largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member is as follows:

Name	The Walt Disney Company
Country of Incorporation	United States of America
Address from where copies of the group financial statements can be obtained	500 South Buena Vista St. Burbank, California 91521-9722 USA

On 21 March 2019, the ultimate parent undertaking changed to The Walt Disney Company, an entity incorporated in the United States of America with a tax identification number of 83-0940635.

The Company had no related undertakings during the year (2018: Nil).

16 Post balance sheet events

In December 2019 there was an outbreak of COVID-19, which the World Health Organisation declared a pandemic on 11 March 2020. As the Company is currently seeking new customers and is not trading the event has had minimal impact on the Company. It is believed that the Company is well placed to manage its business risks and there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The COVID-19 outbreak is therefore considered by the Directors to be a non-adjusting post balance sheet event.