

Disney Trading Limited
(Registered Number 09699933)

Directors' Report and Financial Statements
for the year ended 30 September 2017

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Disney Trading Limited

Directors' report and financial statements for the year ended 30 September 2017

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Disney Trading Limited

Strategic report for the year ended 30 September 2017

The Directors present their strategic report of Disney Trading Limited (the 'Company') for the 52 weeks ended 30 September 2017 (Prior financial period for the 62 weeks and two days ended 1 October 2016).

Principal activities, review of business and future developments

The Company's principal activity during the year was the speciality wholesale of Disney merchandise branded as "Disney Collection". 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, in addition, see Note 16.

The Company's profit for the year was \$238,000 (2016: \$268,000) and its turnover was \$7,795,000 (2016: \$8,807,000). The Directors consider the results for the year and the financial condition of the Company at the end of the year to be satisfactory.

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, political uncertainty and changes in consumer spending patterns

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 or an uncertain economic outlook adversely affects consumer spending habits and results in lower levels of economic activity. Any of these events and factors could cause consumers to curtail spending and could have a negative impact on our financial performance and position in future financial years.

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

The retail industry (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.

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 19 June 2018 and signed on its behalf by:



G Barridge
Director

Registered Office

3 Queen Caroline Street
Hammersmith
London
W6 9PE

Disney Trading Limited

Directors' report for the year ended 30 September 2017

The Directors present their report and the audited financial statements of Disney Trading Limited (the 'Company') for the year ended 30 September 2017. The financial year represents the 52 weeks ended 30 September 2017 (Prior financial period for the 62 weeks and two days ended 1 October 2016).

Dividends

No dividends were paid or received during the year (2016: \$Nil). The Directors do not recommend that a dividend be paid for the year ended 30 September 2017.

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:

A T Widger (resigned 1 September 2017)
G Burridge
Z Hansson (appointed 1 September 2017)

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial 52 week period. 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 year. 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 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.

Disney Trading Limited

Directors' report for the year ended 30 September 2017 (continued)

Statement of Directors' responsibilities (continued)

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.

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 19 June 2018 and signed on its behalf by:



G Burridge
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 30 September 2017 and of its profit for the 52 week period (the "period") 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 30 September 2017; the Income statement, the Statement of changes in equity for the 52 week period 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 when:

- 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.

Disney Trading Limited

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

Reporting on other information (continued)

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

Based on 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 period ended 30 September 2017 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 set out on pages 4 and 5, 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.

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.

Disney Trading Limited

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

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 A Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 June 2018

Disney Trading Limited

Income statement for the year ended 30 September 2017

	Note	Year ended 30 September 2017 \$'000	Period ended 1 October 2016 \$'000
Turnover	4	7,795	8,807
Cost of sales		(5,430)	(6,393)
Gross profit		2,365	2,414
Administrative expenses		(2,040)	(2,080)
Operating profit	5	325	334
Interest receivable and similar income	6	19	1
Interest payable and similar charges	7	(48)	-
Profit on ordinary activities before taxation		296	335
Tax on profit on ordinary activities	8	(58)	(67)
Profit for the financial year		238	268

The results shown above are derived from continuing operations.

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 12 to 20 form part of these financial statements.

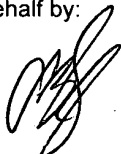
Disney Trading Limited

Statement of financial position as at 30 September 2017

(Registered Number 09699933)

	Note	30 September 2017 \$'000	1 October 2016 \$'000
Current assets			
Debtors	9	365	3,025
Cash at bank and in hand		4,153	5,437
		4,518	8,462
Creditors: amounts falling due within one year	10	(4,012)	(8,194)
Net current assets		506	268
Total assets less current liabilities		506	268
Net assets		506	268
Capital and reserves			
Share capital	12	-	-
Retained earnings		506	268
Total equity		506	268

The financial statements on pages 9 to 20 were approved by the Board of Directors on 19 June 2018 and were signed on its behalf by:



G Burridge
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London
W6 9PE

Disney Trading Limited

Statement of changes in equity for the year ended 30 September 2017

	Note	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 23 July 2015		-	-	-	-
Profit for the financial year		-	-	268	268
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	268	268
Dividends paid		-	-	-	-
Issue of shares		-	-	-	-
Balance as at 1 October 2016	12	-	-	268	268
Profit for the financial year		-	-	238	238
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	238	238
Dividends paid		-	-	-	-
Balance as at 30 September 2017	12	-	-	506	506

Dividend income totalling \$Nil (2016: \$Nil) were received or paid during the year and dividends of \$Nil (2016: \$Nil) per ordinary share were paid during the year.

The financial statements on pages 9 to 20 were approved by the Board of Directors on 19 June 2018 and were signed on its behalf by:


G Burridge
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London
W6 9PE

The notes on pages 12 to 20 represent an integral part of the financial statements.

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017

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 during the year was the speciality wholesale of Disney merchandise branded as "Disney Collection".

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. The Company has also early adopted the amendments to FRS 102 (issued in July 2015).

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 ('FRS102')'.

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.

b) Going concern

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is well placed to manage its business risks. 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. In determining the appropriateness of the going concern basis of preparation, support from fellow group companies, including The Walt Disney Company Limited, for a period of twelve months from the date of approval of these financial statements has been taken into account.

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.

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017 (continued)

3 Summary of significant accounting policies (continued)

c) Exemptions for qualifying entities under FRS 102 (continued)

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;
- v) from the requirement to provide certain share-based payments disclosures as required by paragraphs 26.18(b), 26.19, 26.20, 26.21 and 26.23.; and
- vi) 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 financial period on the closest Saturday to 30 September. An accounting reference date of 30 September 2017 has been adopted for the current financial period. The financial period represents the 52 weeks ended 30 September 2017.

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.

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 period comprises current and deferred tax recognised in the reporting period. The tax expense/(income) is recognized 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.

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017 (continued)

3 Summary of significant accounting policies (continued)

g) Taxation (continued)

(i) Current tax

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

(ii) Deferred tax

Deferred tax 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 balance sheet 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 balance sheet 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 and in hand, 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 30 September 2017 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 consolidated income statement.

If there is 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.

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017 (continued)

3 Summary of significant accounting policies (continued)

i) Financial instruments (continued)

(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 8 for the net carrying amount of the Company's debtors.

l) Future Amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes to the EU-directives and UK Companies Regulations. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015. Entities will have to adopt and comply with all amendments if they elect to early adopt the Amendments to FRS 102 (issued in July 2015).

The Company has elected to early adopt these amendments to FRS 102.

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017 (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

All turnover arises from the operation outside of United Kingdom in EMEA.

5 Operating profit

Operating profit is stated after charging / (crediting):

	Year ended 30 September 2017 \$'000	Period ended 1 October 2016 \$'000
Inventory recognised as an expense	4,734	5,463
Auditors' remuneration - audit services	19	20
Foreign exchange gain	(1)	(2)

The Company had no employees during the year ended 30 September 2017 (2016: Nil). Staff-related costs of \$280,000 (2016: \$235,000) are recharged to the Company from other Disney Group entities.

6 Interest receivable and similar income

	Year ended 30 September 2017 \$'000	Period ended 1 October 2016 \$'000
Bank interest receivable	19	1

7 Interest payable and similar charges

	Year ended 30 September 2017 \$'000	Period ended 1 October 2016 \$'000
Intercompany interest payable	48	-

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017 (continued)

8 Tax on profit on ordinary activities

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

	Year ended 30 September 2017 \$'000	Period ended 1 October 2016 \$'000
Tax on profit on ordinary activities		
Current tax:		
UK corporation tax at 19.5% (2016: 20%)	58	67
Adjustments in respect of previous periods	-	-
Tax on profit on ordinary activities	58	67

The tax assessed for the year is the same as (2016: the same as) the standard rate of corporation tax in the UK for the year ended 30 September 2017: 19.5% (2016: 20%). The differences are explained as follows:

	Year ended 30 September 2017 \$'000	Period ended 1 October 2016 \$'000
Profit on ordinary activities before tax	296	335
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016: 20%)	58	67
Prior year adjustment	-	-
Total tax charge for year	58	67

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.

9 Debtors

Amounts falling due within one year:

	30 September 2017 \$'000	1 October 2016 \$'000
Trade debtors	365	3,025
	365	3,025

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017 (continued)

10 Creditors

Amounts falling due within one year:

	30 September 2017 \$'000	1 October 2016 \$'000
Trade creditors	-	1
Amounts owed to group undertakings	3,935	7,882
Corporation tax	58	67
Accruals and deferred income	19	244
	<u>4,012</u>	<u>8,194</u>

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

11 Financial instruments by category

	Note	30 September 2017 \$'000	1 October 2016 \$'000
Financial assets measured at amortised cost:			
Trade debtors	9	365	3,025
Cash and cash equivalents		4,153	5,437
		<u>4,518</u>	<u>8,462</u>

	Note	30 September 2017 \$'000	1 October 2016 \$'000
Financial liabilities measured at amortised cost:			
Trade creditors	10	-	1
Amounts owed to group undertakings	10	3,935	7,882
		<u>3,935</u>	<u>7,883</u>

12 Share capital

	30 September 2017 \$	1 October 2016 \$
Allotted, called up and fully paid		
1 ordinary share (2016: 1) of £1 each converted at \$1.30 (2016: \$1.30)	<u>1.30</u>	<u>1.30</u>

Disney Trading Limited

Notes to the financial statements for the year ended 30 September 2017 (continued)

13 Directors' emoluments

The Directors did not receive any emoluments in respect of their services to the Company (2016: Nil). One Director in service during the period was remunerated by The Walt Disney Company Limited and the other Director in service during the period was remunerated by The Disney Store Limited. It is not possible to determine the split of remuneration.

14 Related party transactions

The Company is a wholly owned subsidiary of The Walt Disney Company Limited 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.

Ultimate parent

Disney Trading Limited is a wholly owned subsidiary of The Walt Disney Company Limited whose ultimate parent is The Walt Disney Company, incorporated in the United States of America.

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

The Company had no Related Undertakings during the year (2016: Nil).

Disney Trading Limited

16 Post balance sheet events

During FY17 Disney Trading Limited had a Branded Area Agreement with Teknosa İc ve Dis 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 as at December 2017 Disney Trading Limited no longer had a customer agreement in place.

It is not the Company's intention to cease this trading channel and as they are actively seeking new customers the Directors consider the Company to be a going concern.