Hamleys Toys (Ireland) Limited

Financial Statements

For the year ended 31st December, 2020

Independent Auditor's Report

To the members of Hamleys Toys (Ireland) Limited
Report on the audit of financial statements

Opinion

We have audited the financial statements of Hamleys Toys (Ireland) Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' 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 director's 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 of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Director and the Statement of Director's Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 this 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Report of the Director 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 Report of the Director.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

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

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

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

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 a Report of the Auditors 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.

ACA Devender Arora (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middx
UB4 0NN

Date: March 26, 2021

Statement of Profit or Loss
for the Year Ended 31 December 2020

	Notes	31.12.20 €'000	31.12.19 €'000
CONTINUING OPERATIONS			
Revenue	3	-	-
Administrative expenses		532	(423)
OPERATING PROFIT/(LOSS)		532	(423)
PROFIT/(LOSS) BEFORE INCOME TAX		532	(423)
Income tax	6	-	-
PROFIT/(LOSS) FOR THE YEAR		532	(423)

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2020

	31.12.20	31.12.19
	€'000	€'000
PROFIT / (LOSS) FOR THE YEAR	532	(423)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	532	(423)

Balance Sheet as at 31 December 2020

	Notes	31.12.20 €'000	31.12.19 €'000
ASSETS			
CURRENT ASSETS			
Trade and other receivables	8	3,183	3,427
Cash and cash equivalents	9	1	88
		3,184	3,515
TOTAL ASSETS		3,184	3,515
EQUITY			
SHAREHOLDERS' EQUITY			
Share Capital	10	-	-
Retained earnings	11	(7,626)	(8,158)
TOTAL EQUITY		(7,626)	(8,158)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	10,810	11,673
TOTAL LIABILITIES		10,810	11,673
TOTAL EQUITY AND LIABILITIES		3,184	3,515

The financial statements were approved by the Board of Directors and authorised for issue on March 26, 2021 and were signed by:

Dilip Kumar Sharma
Director

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Retained earnings €'000	Total equity €'000
Balance at 1 January 2019	(7,735)	(7,735)
Changes in equity		
Total comprehensive income	(423)	(423)
Balance at 31 December 2019	(8,158)	(8,158)
Changes in equity		
Total comprehensive income	532	532
Balance at 31 December 2020	(7,626)	(7,626)

Cash Flow Statement for the Year Ended 31 December 2020

	Notes	31.12.20 €'000	31.12.19 €'000
Cash flows from operating activities			
Cash generated from operations	1	(87)	65
Net cash from operating activities		(87)	65
(Decrease)/increase in cash and cash equivalents		(87)	65
Cash and cash equivalents at beginning of year		88	23
Cash and cash equivalents at end of year		1	88

Notes to the Statement of Cash Flows for the Year Ended 31 December 2020

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31.12.20	31.12.19
	€'000	€'000
Profit/ (loss) before income tax	532	(423)
Decrease in trade and other receivables	244	3,354
Decrease in trade and other payables	(863)	(2,866)
Cash generated from operations	(87)	65

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	€'000	€'000
Cash and cash equivalents	1	88

Year ended 31 December 2019

	31.12.19	1.1.19
	€'000	€'000
Cash and cash equivalents	88	23

Notes to the Financial Statements

1. STATUTORY INFORMATION

Hamleys Toys (Ireland) Limited is a private company, limited by shares, registered in Ireland. The registered number is 00458284 and the registered address is 25-28 North Wall Quay, Dublin – 1, Ireland.

2. ACCOUNTING POLICIES

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

2.1. Measurement convention

The financial statements are prepared on the historical cost basis except where IFRSs require an alternative treatment.

2.2. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Fixtures and fittings 5 - 20% per annum
- Computer equipment 20% - 33% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Classification of financial instruments issued by the company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) They include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Going concern

The Company ceased trading after the closure of the Dundrum store on 7 May 2018, and the directors intend to liquidate the Company in due course. These financial statements have therefore been prepared on a basis other than going concern basis, under the historical cost convention, and in accordance with standards. Given the nature of assets and liabilities held at 31 December 2019, this has not resulted in any recognition or measurement adjustments in preparing these accounts.

2.3. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows, and is recognised in the statement of profit and loss in administrative expenses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Contingent rentals arising under operation leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into an operating lease such incentives are recognised as a liability. Lease incentives are recognised as a reduction of rental expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease are consumed.

Revenue recognition

Revenue comprises the fair value of goods sold to external customers, net of value added tax and promotional discounts. Revenue is recognised in accordance with IFRS 15 for the sale of goods when the significant risks and rewards of ownership of the goods have passed to the customer and the amount of revenue can be measured reliably. The significant risks and rewards of ownership are deemed to have been passed when sold over the counter in store and when despatched for online sales.

2.4. Impairment excluding inventories, and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Updates to IFRS

New and revised standards that are effective for annual years beginning on or after 1 January 2019

IFRS 16 changes the recognition, measurement, presentation and disclosure of leases. In particular it requires lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases. At the commencement of a lease, a lessee recognises lease payments (lease liability) and an asset representing the right to use the asset during the lease term (leased asset). Lessees subsequently reduce the lease liability when paid and recognise depreciation on the leased asset. A lease liability is re- measured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re- measurement normally also adjusts the leased asset. The standard has no impact on the actual cash flows of a group. However the standard requires the capitalisation, and subsequent depreciation, of costs that were previously expensed as paid which impacts disclosures of cash flows within the cash flow statement. The amounts previously expensed as operating cash outflows are instead capitalised and presented as financing cash outflows.

The amendment has no material impact on the Company's financial statements.

2.5. Intangible assets
Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 3 years

3. REVENUE

Non- GAAP financial information

	2020 €'000	2019 €'000
Gross transaction value	-	-

Revenue from concessions is required to be shown on a net basis, being the commission received rather than the gross value achieved by concessionaires on sales. The directors believe that gross transactional value, which presents revenue on a gross basis before adjusting for concessions, represents a good guide to the value of the overall activity of the Company.

Revenue

	2020 €'000	2019 €'000
Sales of goods	-	-

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2020	2019
Administration	-	-

The aggregate payroll costs of these persons were as follows:

	2020 €'000	2019 €'000
Wages and salaries	-	-
Social security costs	-	-

5. PROFIT/(LOSS) BEFORE INCOME TAX

Included in profit/loss are the following:

	2020 €'000	2019 €'000
Foreign exchange losses / (gain)	(535)	422

Auditor's remuneration:
The audit fee has been borne by Hamleys of London Limited, a group company.

Amounts receivable by the Company's auditors and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the financial statements of the Company's UK parent, Reliance Brands Holding UK Limited.

6. INCOME TAX

Reconciliation of effective tax rate

	2020 €'000	2019 €'000
	0	0
Profit/(Loss) for the year	532	(423)
Total tax expense	-	-
Profit/(Loss) excluding taxation	532	(423)
Tax using the Ireland corporation tax rate of 12.5% (2019: 12.5%)	67	(53)
Utilisation of bought forward losses / losses carried forward	(67)	53
Total tax expense	-	-

The company has trading losses carried forward of €.4940 thousand (2019: €5,614 thousand). Deferred tax assets are recognised only to the extent that they are regarded as recoverable in the foreseeable future. Accordingly no deferred tax assets has been recognised

7. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and furniture €'000	**Computer equipment €'000**	**Totals €'000**
COST			
At 1 January 2020 and 31 December 2020	4,337	130	4,467
DEPRECIATION			
At 1 January 2020 and 31 December 2020	4,337	130	4,467
NET BOOK VALUE			
At 31 December 2020	-	-	-
At 31 December 2019	-	-	-

8. TRADE AND OTHER RECEIVABLES

	31.12.20 €'000	31.12.19 €'000
Current:		
Amounts owed by group undertakings	3,182	3,421
Other debtors	-	9
VAT Recoverable	1	-
	3,183	3,427

9. CASH AND CASH EQUIVALENTS

	31.12.20	31.12.19
	€'000	€'000
Cash in hand	1	88

10. SHARE CAPITAL

Allotted, called up and fully paid	**31.12.20**	31.12.19
	€	€
1 Ordinary share of **€**1 each	1	1

11. RESERVES AND SURPLUS

	Retained Earnings
	€'000
At 1 January 2020	(8,158)
Profit for the year	532
At 31 December 2020	(7,626)

12. TRADE AND OTHER PAYABLES

	31.12.20	31.12.19
	€'000	€'000
Current:		
Trade creditors	-	-
Amounts owed to group undertakings	10,807	11,673
Accruals and deferred income	3	-
	10,810	11,673

13. FINANCIAL INSTRUMENTS

Financial risk management

Senior management and the directors have overall responsibility for the oversight of the Company's risk management framework. Senior management and directors review and manage risk on an ad hoc basis when required through specific consideration of transactions. When identified, agreed actions are taken to mitigate these risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation and arises solely from the Company's intercompany receivables.

The company is also exposed to credit risk arising from other financial assets, which comprise of cash. The Company's exposure to credit risk arises from the default of the counterparty with a maximum exposure equal to the carrying value of these instruments if a counterparty to a financial instrument fails to meet its contractual obligation.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due by ensuring that there is sufficient cash or working capital facilities to meet the Company's cash requirements.

The risk is measured by review of forecast liquidity each month to determine whether there are sufficient credit facilities to meet forecast requirements. Cash flow forecasts are submitted monthly to the Directors. These continue to demonstrate the strong cash generating ability of the business and its ability to operate within existing agreed facilities.

Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates will affect the

Company's income. The Company's exposure to market risk predominately relates to foreign currency risk. The Company has no long-term borrowings, resulting in no interest rate risk.

Foreign currency risk

The Company transacts with its parent and subsidiary companies in GBP and is, therefore, exposed to the foreign exchange risk which can negatively impact revenue, costs, margins and profits.

The following table shows the extent to which the Group has monetary assets and liabilities at the balance sheet date in currencies other than the local currency of operation. Monetary assets and liabilities refer to intercompany receivables and payables.

	2020 Monetary assets €'000	2019 Monetary assets €'000	2020 Monetary liabilities €'000	2019 Monetary liabilities €'000
GBP	3,182	3,421	10,807	11,672

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to optimise returns to its shareholders. The Board’s policy is to retain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future growth. The directors regularly monitor the level of capital in the Group to ensure that this can be achieved.

Fair value disclosures and hierarchy

The fair value of each class of financial assets and liabilities is the carrying amount, based on the following assumptions:

Trade receivables and trade payables

The fair value approximates to the carrying value because of the short maturity of these instruments.

Financial instruments carried at fair value should be measured with reference to the following levels:
Level 1: quoted prices in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

All financial instruments carried at fair value have been measured using a Level 2 valuation method.
The fair value (which is equal to carrying value) of financial assets and liabilities are as follows:

	2020 €'000	2019 €'000
Cash and cash equivalents	1	88
Trade and other receivables	3,183	3,427
Total financial assets	3,184	3,515
Trade and other payables	10,810	11,673
Total financial liabilities	10,810	11,673

Foreign exchange rate sensitivity analysis
The table below shows the Company's sensitivity to foreign exchange rates for its GBP financial instruments, the major currency in which the Company's derivatives are denominated.

	2020 Increase/ (decrease in equity) €'000	2019 Increase/ (decrease in equity) €'000
10% appreciation in GBP	763	825
10% depreciation in GBP	(763)	(825)

A strengthening / weakening of sterling, as indicated, against the Euro at each year would have increased / (decreased) retained earnings by the amounts shown above. This analysis is based on foreign exchange rate variances that the Company considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables remain constant. There are no material movements in profit and loss for the year.

14. RELATED PARTY DISCLOSURES

Other related party transactions

	Receivables outstanding		Payables outstanding	
	2020 €'000	2019 €'000	2020 €000	2019 €000
Holding Company				-
Reliance Brands Holding UK Limited	3,182	-	-	-
Fellow Subsidiaries				
The Hamleys Group Limited*	-	3,421	-	
Hamleys of London Limited	-	-	10,505	11,330
Hamleys (Franchising) Limited	-	-	302	324
Scrumpalicious Limited	-	-	-	18
	3,182	3,421	10,807	11,672

*Holding company in previous year

15. EVENTS AFTER THE REPORTING PERIOD

The company will remain open until all obligations are met, at which point the Board of Directors will consider the plan for the legal entity going forward.

16. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Reliance Brands Holding UK Limited, a company incorporated in England and Wales. This is the smallest group in which the results of the Company are consolidated. Copies of the group financial statements will be available on the website of Companies House, Cardiff. The Company's ultimate parent company and controlling party is Reliance Industries Limited, a company incorporated in India and listed on the Indian Stock Exchange. The company office address is 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai, Maharashtra 400021.

17. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial information requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years impacted.

The key judgements and estimates employed in the financial statements are considered below.

Depreciation and amortisation

Judgement is required in assessing the useful economic lives of tangible fixed assets and intangible assets. These assumptions are based on the directors' best estimate of the life of the asset and its residual value at the end of its economic value.

Recoverability of inventories

The value of inventories is assessed for impairment and where required, a provision is made to reduce the cost to no more than net realisable value. This requires judgement and assumptions are made on anticipated utilisation and saleability, taking into account the nature and condition of inventory as well as historic experience and assessment of future profitability.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised. The directors make an assessment of future profits based on historical experience and various other forecasting judgements and assumptions. Where it is not deemed probable that future profits will be available, the deferred tax asset is not recognised to this extent.

Recoverability of intercompany receivables

Intercompany receivables are assessed for impairment and are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. The Directors use historic experience and assessment of future profitability to assess whether an impairment is required.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on March 26, 2021.

19. PREVIOUS YEAR FIGURES

The previous year figures has been regrouped/reclassified, whenever necessary, to conform to the current year presentation.