

Hamleys of London Limited
Financial Statements
For the Year Ended 31 December 2024

Report of the Independent Auditors to the Members of Hamleys of London Limited

Opinion

We have audited the financial statements of Hamleys of London Limited (the 'company') for the year ended 31 December 2024 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 material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards 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

The directors have prepared the financial statements on the going concern basis as the directors do not intend to liquidate the Company or to cease its operations, and concluded that the Company's financial position means that this is realistic. Directors have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("The going concern period").

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included financial support from the immediate parent company, forecast for at least 12 months from the date of approval of financial statements and analysis of risks which might affect the company's financial resources or ability to continue operation over the going concern period.

Our conclusion based on this work:

- We consider that the director's use of going concern basis of accounting in the preparation of the financial statement is appropriate;
- We have not identified, and concur with the director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Statement of Directors' 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.

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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 Directors 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 Directors 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 Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

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Auditors' responsibilities for the audit of the financial statements (continued...)

- Audit procedures undertaken in response to the potential risks relating to irregularities, including fraud and non-compliance with laws and regulations, comprised of:
 - inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations and enquiries with the same concerning any actual or potential litigation or claims;
 - inspection of relevant legal correspondence and review of board minutes;
 - performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.
 - reviewing transactions around the end of the reporting period; and
 - the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.
- No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

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

Date: April 15, 2025

Hamleys of London LimitedStatement of Profit or Loss
for the Year Ended 31 December 2024

	Notes	2024 £'000	2023 £'000
CONTINUING OPERATIONS			
Revenue	3	47,356	46,371
Cost of sales		(18,437)	(19,901)
GROSS PROFIT		28,919	26,470
Other operating income	4	1,829	1,649
Distribution costs		(15,410)	(15,143)
Administrative expenses		(11,259)	(11,293)
OPERATING PROFIT		4,079	1,683
Finance costs	6	(5,248)	(5,230)
Finance income	6	<u>316</u>	<u>96</u>
LOSS BEFORE INCOME TAX	7	(853)	(3,451)
Income tax	8	<u>312</u>	<u>1,113</u>
LOSS FOR THE YEAR		<u>(541)</u>	<u>(2,338)</u>

Hamleys of London LimitedStatement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2024

	2024 £'000	2023 £'000
LOSS FOR THE YEAR	(541)	(2,338)
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(541)</u>	<u>(2,338)</u>

Hamleys of London LimitedStatement of Financial Position31 December 2024

	Notes	31.12.24 £'000	13.12.23 £'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	24	51
Property, plant and equipment	10	96,761	100,252
Deferred tax assets	19	<u>7,416</u>	<u>7,105</u>
		<u>104,201</u>	<u>107,408</u>
CURRENT ASSETS			
Inventories	11	4,949	5,730
Trade and other receivables	12	2,865	3,099
Cash and cash equivalents	13	<u>4,656</u>	<u>10,083</u>
		<u>12,470</u>	<u>18,912</u>
TOTAL ASSETS		<u><u>116,671</u></u>	<u><u>126,320</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	14	2,000	2,000
Capital contribution reserve	15	500	500
Retained earnings	15	<u>(30,128)</u>	<u>(29,587)</u>
TOTAL EQUITY		<u>(27,628)</u>	<u>(27,087)</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	16	-	21
Lease liabilities	17	<u>100,317</u>	<u>100,412</u>
		<u>100,317</u>	<u>100,433</u>
CURRENT LIABILITIES			
Trade and other payables	16	39,551	48,163
Lease liabilities	17	<u>4,431</u>	<u>4,811</u>
		<u>43,982</u>	<u>52,974</u>
TOTAL LIABILITIES		<u>144,299</u>	<u>153,407</u>
TOTAL EQUITY AND LIABILITIES		<u><u>116,671</u></u>	<u><u>126,320</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on April 15, 2025 and were signed on its behalf by:

.....
Saji Varghese – Director

Date: April 15, 2025

Hamleys of London LimitedStatement of Changes in Equity
for the Year Ended 31 December 2024

	Called up share capital £'000	Retained earnings £'000	Capital contribution reserve £'000	Total equity £'000
Balance at 1 January 2023	2,000	(27,249)	500	(24,749)
Changes in equity				
Total comprehensive loss	<u>-</u>	<u>(2,338)</u>	<u>-</u>	<u>(2,338)</u>
Balance at 31 December 2023	<u>2,000</u>	<u>(29,587)</u>	<u>500</u>	<u>(27,087)</u>
Changes in equity				
Total comprehensive loss	<u>-</u>	<u>(541)</u>	<u>-</u>	<u>(541)</u>
Balance at 31 December 2024	<u>2,000</u>	<u>(30,128)</u>	<u>500</u>	<u>(27,628)</u>

Hamleys of London LimitedStatement of Cash Flows
for the Year Ended 31 December 2024

		2024	2023
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	1	642	16,085
Net cash inflow from operating activities		642	16,085
Cash flows from investing activities			
Payments to acquire other Intangible assets		(4)	(50)
Payments to acquire Property, Plant and Equipment		(343)	(3,620)
Net cash(outflow) from investing activities		(347)	(3,670)
Cash flows from financing activities			
Repayment of lease liabilities		(474)	(697)
Payment of finance cost		(5,248)	(5,230)
Net cash(outflow) from financing activities		(5,722)	(5,927)
Net (decrease)/increase in cash and cash equivalents		(5,427)	6,488
Cash and cash equivalents at beginning of year	2	10,083	3,595
Cash and cash equivalents at end of year	2	4,656	10,083

Hamleys of London LimitedNotes to the Statement of Cash Flows
for the Year Ended 31 December 2024**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2024	2023
	£'000	£'000
Loss before income tax	(853)	(3,451)
Depreciation charges for tangible assets	3,834	4,401
Amortisation charges for Intangible assets	31	169
Finance costs	<u>5,248</u>	<u>5,230</u>
	8,260	6,349
Decrease in inventories	781	6,670
Decrease in trade and other receivables	233	674
Decrease in trade and other payables	<u>(8,632)</u>	<u>2,392</u>
Cash generated from operations	<u><u>642</u></u>	<u><u>16,085</u></u>

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 2024

	31.12.24	1.1.24
	£'000	£'000
Cash and cash equivalents	<u><u>4,656</u></u>	<u><u>10,083</u></u>

Year ended 31 December 2023

	31.12.23	1.1.23
	£'000	£'000
Cash and cash equivalents	<u><u>10,083</u></u>	<u><u>3,595</u></u>

Hamleys of London LimitedNotes to the Financial Statements
for the Year Ended 31 December 2024**1. STATUTORY INFORMATION**

Hamleys of London Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page. The principal activity of the Company is retailing of toys.

2. MATERIAL ACCOUNTING POLICIES**Basis of preparation**

The Company financial statements have been prepared and approved by the directors in accordance with UK Adopted International Accounting Standards.

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

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £000.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below under "accounting estimates and judgements"

Adoption of new and revised standards

The following international financial reporting standards (IFRSs) and interpretations were in issue and applicable to periods commencing on or after 1 January 2024:

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments	Disclosures titled Supplier Finance Arrangements
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Presentation of financial statement-Non-current Liabilities with covenants
Amendments to IFRS 16 Leases	Lease Liability in a sale and leaseback

However, all standards or amendments to standards that have been issued by the IASB and were effective by 1 January 2024 were not applicable or material to the Company

New Standards and amendments issued but not yet applied

The company does not consider that any standards or interpretations issued by the international accounting standards board, but not yet applicable, will have a significant impact on the company's financial statements

Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
IFRS 18	Presentation and Disclosures in Financial Statement
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the Company financial statements in the foreseeable future.

Measurement convention

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

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**2. MATERIAL ACCOUNTING POLICIES - continued****Going concern**

The Directors expect the retail climate to recover and though there remains a challenging trading environment. However, the Directors believe with improvement in business growth and the continuous focus on cost optimization would ensure better returns for the company.

Financial forecasts, including sensitivities, for the year have been prepared using conservative sales levels and cost planning accordingly has been aligned to those sales estimates. The Company has made considerable effort to improve cost base management, reduce cash levels tied up in working capital by managing stock orders on a just in time basis, and ease pressures on cash flow by managing supplier expectations.

The Directors, after considering the financial forecasts, appropriate sensitivities, current trading and available facilities expect the Company to have adequate resources to continue in operational existence for the foreseeable future. The Directors also anticipate that the existing funding facilities to remain in place and would ensure sufficient liquidity in the business for next 12 months.

Based on all of the evidence available the Directors continue to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Revenue from the sale of stock comprises the transaction price of goods sold to the customers, net of value added tax and promotional discounts. Revenue is recognised on the sale of the goods when the control over the goods have been passed to the customer and usually it occurs at the time goods are delivered to customers. The control is deemed to have been passed when sold over the counter in store and when despatched for online sales.

Revenue from the sale of concessions stock comprises the fair value of commissions earned by Hamleys of London Limited on the sale of any stock owned by concessions. Revenue is recognised on the sale of the goods when the control over the goods have been passed to the customer and usually it occurs at the time goods are delivered to customers. The control is deemed to have been passed when sold over the counter in store and when despatched for online sales.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Intangible assets**Other intangible assets & Amortisation**

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.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. The estimated useful lives are as follows:

Trademarks	5 years
Computer software	3 years

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**2. MATERIAL ACCOUNTING POLICIES - continued****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:

Leasehold property	Shorter of lease of premises or 10 years
Fixtures and fittings	3 -5 years
Computer equipment	3 years
Equipment (HVAC)*	15 Years

*Heating, Ventilation and Air Conditioning

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

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings 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. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition. When necessary, provision is made to reduce the cost to no more than net realisable value having regard to the nature and condition of inventory as well as anticipated utilisation and saleability.

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.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**2. MATERIAL ACCOUNTING POLICIES - continued****Taxation - continued**

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-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

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.

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.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**2. MATERIAL ACCOUNTING POLICIES - continued****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 respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. 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.

Financing income and expenses

Financing expenses comprise interest payable and finance leases recognised in profit or loss using the effective interest method. Financing income comprises interest receivable on funds invested and deposits at bank. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has the right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter lease term or useful life of the right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses an incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Variable lease payments are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**2. MATERIAL ACCOUNTING POLICIES - continued****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:**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.

Recoverability of receivables

Trade 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.

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.

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 life.

Impairment of property, plant and equipment and equipment and intangibles

The company has undertaken a significant strategic review of its store estate resulting in impairment of fixed assets in loss making stores where a decision has been made to exit. The carrying value of assets for the remaining store assets have been assessed against future cash flows and impairments have been recognised for stores where carrying amounts of the assets may not be recoverable.

EBITDA

Earnings before interest, tax, depreciation, amortisation and impairments ("EBITDA") has been presented as in the opinion of the Directors, this measure of the company's performance provides useful additional disclosure. It is not intended to be a substitute for, or superior to, GAAP measurements of profit.

Classification of exceptional items

Judgement is required in classifying items as exceptional. Management have considered items to be exceptional if they are material and one off in nature. These are disclosed separately in the 'Statement of Profit or Loss and Other Comprehensive Income'.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 20243. **REVENUE****Disaggregation of revenue from contract with customers:**

	2024	2023
	£000	£000
Sale of goods	47,356	46,371

	2024	2023
	£000	£000
Timing of revenue recognition:		
At a point in time	47,356	46,371
	47,356	46,371

	2024	2023
	£000	£000
Revenue split by geography		
United Kingdom	47,356	46,371
Rest of World	-	-
	47,356	46,371

Non-IFRS financial information: Gross transaction value

	2024	2023
	£000	£000
Sale of goods	54,290	52,407

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.

4. **OTHER OPERATING INCOME**

	2024	2023
	£'000	£'000
Commission Income	446	803
Income from Insurance claim received	354	-
Commission from dynamic currency conversion	41	5
Window income	349	365
Other income	240	36
Party Income	383	373
Unclaimed Liabilities Written Back	16	20
	1,829	1,649

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**5. EMPLOYEES AND DIRECTORS**

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

	Number of employees	
	2024	2023
Selling and distribution	364	402
Administration	30	27
	<u>394</u>	<u>429</u>

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£000	£000
Wages and salaries	9,377	9,121
Social security costs	627	595
Contributions to defined contribution plans	190	170
	<u>10,194</u>	<u>9,886</u>

* No remuneration paid to directors in current year (2023 -NIL)

6. NET FINANCE COSTS

	2024	2023
	£000	£000
FINANCE COSTS		
Interest expense on bank overdrafts	17	11
Interest expenses on lease liabilities	<u>5,231</u>	<u>5,219</u>
Total finance cost	<u>5,248</u>	<u>5,230</u>

	2024	2023
	£000	£000
FINANCE INCOME		
Interest on deposits at bank	<u>316</u>	<u>96</u>

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**7. LOSS BEFORE INCOME TAX**

The loss before tax is stated after charging/(crediting):

	2024 £000	2023 £000
Rentals under operating leases:		
Hire of plant and machinery	41	47
Variable lease payments*	1,085	991
Depreciation and amortisation charge for the year		
Depreciation charge - owned property, plant and equipment	1,119	1,441
Depreciation charge - right of use assets	2,715	2,960
Amortisation charge	31	169
Forex exchange losses/(gains)	<u>184</u>	<u>(259)</u>

*Variable lease payments not recognised in the related lease liability are expensed as incurred and include rentals based on revenue from stores.

Auditor's remuneration:	2024 £000	2023 £000
Fees payable to the company's auditor for the audit of the company's annual accounts*	35	30
Fees payable to the company's auditor for other services:	<u>1.5</u>	<u>1.5</u>

*Includes fees related to the audit of other group entities.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 20248. **INCOME TAX**

	2024	2023
	£000	£000
Current tax expense		
Current tax on loss for the period	-	(793)
Current tax expense in respect of previous year	-	308
Current tax expenses/(credit) (I)	-	(485)
Deferred tax expense		
Deferred tax expense in respect of the current year	(312)	(283)
Deferred tax expense in respect of the prior year	-	(345)
Adjustments for prior years	-	-
Deferred tax expenses/(credit) (II)	(312)	(628)
Total tax expenses /(credit) (I +II)	(312)	(1,113)
Reconciliation of effective tax rate		
	2024	2023
	£000	£000
Loss for the year	(541)	(2,328)
Total tax credit	(312)	(1,113)
Loss excluding taxation	(853)	(3,441)
Tax using the UK corporation tax rate of 25% (2023: 23.5%)	(213)	(809)
Other expenses not deductible for tax purposes	64	35
Reduction in tax rates on deferred tax balances	-	(17)
Deferred tax not recognised	-	(286)
Adjustments in respect of prior years	(163)	(36)
Total tax expense	(312)	(1,113)

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 20249. **INTANGIBLE ASSETS**

	Trademark £'000	Computer software £'000	Totals £'000
COST			
At 1 January 2024	3,183	5,411	8,594
Additions	-	4	4
At 31 December 2024	<u>3,183</u>	<u>5,415</u>	<u>8,598</u>
AMORTISATION			
At 1 January 2024	3,183	5,360	8,543
Amortisation for year	-	31	31
At 31 December 2024	<u>3,183</u>	<u>5,391</u>	<u>8,574</u>
NET BOOK VALUE			
At 31 December 2024	<u>-</u>	<u>24</u>	<u>24</u>
At 31 December 2023	<u>-</u>	<u>51</u>	<u>51</u>

Fixed and intangible asset impairments

The Company carried out a full impairment review of fixed assets held at each of its stores to assess their recoverable amounts. The carrying value of intangible assets were also reviewed.

10. **PROPERTY, PLANT AND EQUIPMENT**

	Right of use assets £'000	Improvements to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST					
At 1 January 2024	109,571	22,422	9,556	6,128	147,677
Additions	-	141	34	168	343
At 31 December 2024	<u>109,571</u>	<u>22,563</u>	<u>9,590</u>	<u>6,296</u>	<u>148,020</u>
DEPRECIATION					
At 1 January 2024	16,323	18,977	8,828	3,297	47,425
Charge for year	2,715	491	194	434	3,834
At 31 December 2024	<u>19,038</u>	<u>19,468</u>	<u>9,022</u>	<u>3,731</u>	<u>51,259</u>
NET BOOK VALUE					
At 31 December 2024	<u>90,533</u>	<u>3,095</u>	<u>568</u>	<u>2,565</u>	<u>96,761</u>
At 31 December 2023	<u>93,248</u>	<u>3,445</u>	<u>728</u>	<u>2,831</u>	<u>100,252</u>

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**11. INVENTORIES**

	31.12.24	31.12.23
	£'000	£'000
Stocks	<u>4,949</u>	<u>5,730</u>

During the year £ 399 thousands (2023: £162 thousands) was recognised as an expense in cost of sales in respect of the write down of inventory to net realisable value.

12. TRADE AND OTHER RECEIVABLES

	31.12.24	31.12.23
	£'000	£'000
Current:		
Trade debtors	140	265
Amounts owed by group undertakings	-	110
Other debtors	1,295	1,463
Accrued income	167	147
Prepayments	<u>1,263</u>	<u>1,114</u>
	<u>2,865</u>	<u>3,099</u>

Aging of trade receivables (which are included in trade and other receivables), based on invoice date and net of allowance of doubtful debts, is as follows:

	31.12.24	31.12.23
	£000	£000
Within 30 days	54	24
31-60 days	86	100
61-90 days	-	132
90 to 180 days	<u>-</u>	<u>9</u>
Total	<u>140</u>	<u>265</u>

13. CASH AND CASH EQUIVALENTS

	31.12.24	31.12.23
	£000	£000
Cash in hand	556	582
Cash at bank*	<u>4,100</u>	<u>966</u>
	4,656	1,548
Deposits at bank	<u>-</u>	<u>8,535</u>
Net Cash and Cash Equivalents at the end of the year	<u>4,656</u>	<u>10,083</u>

*Cash at bank include overdraft facility secured against charge on inventory and receivables. The Company has a sanctioned overdraft facility of GBP 5 million from Bank which carries interest based on prevalent Bank of England base rate plus 1.5 percent, on actual amount utilised and the same is repayable on demand.

Deposits at bank included in cash and cash equivalents have an original maturity period of less than 90 days.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.12.24 £'000 <u>2,000</u>	31.12.23 £'000 <u>2,000</u>
200,100	Ordinary shares			

15. RESERVES

	Retained earnings £'000	Capital contribution reserve £'000	Totals £'000
At 1 January 2024	(29,587)	500	(29,087)
Deficit for the year	<u>(541)</u>	<u>-</u>	<u>(541)</u>
At 31 December 2024	<u>(30,128)</u>	<u>500</u>	<u>(29,628)</u>

16. TRADE AND OTHER PAYABLES

	31.12.24 £'000	31.12.23 £'000
Current:		
Trade creditors	4,869	5,642
Amounts owed to group undertakings	27,823	36,643
Social security and other taxes	208	205
Other creditors	254	198
Accruals	4,866	4,381
VAT payable	1,518	1,054
Accruals and deferred income	<u>13</u>	<u>40</u>
	<u>39,551</u>	<u>48,163</u>
Non-current:		
Other creditors	<u>-</u>	<u>21</u>
Aggregate amounts	<u>39,551</u>	<u>48,184</u>

17. FINANCIAL LIABILITIES - BORROWINGS

	31.12.24 £'000	31.12.23 £'000
Current:		
Leases	<u>4,431</u>	<u>4,811</u>
Non-current:		
Leases	<u>100,317</u>	<u>100,412</u>

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**17. FINANCIAL LIABILITIES - BORROWINGS - continued**
Lease liabilities

Minimum lease payments fall due as follows:

	31.12.2024	31.12.2023
	£'000	£'000
Within one year	4,431	4,811
Between one and five years	16,216	17,612
In more than five years	84,101	82,800
	<u>104,748</u>	<u>105,223</u>

The Company leases a number of stores and warehouses under leases of varying lengths, for which incentives/premiums are received under the relevant lease agreements. One lease relating to the property in Regent Street has 56 years left to run as at 31 December 2024.

As a lessee	31.12.24	31.12.23
	£'000	£'000
Right of use assets		
Balance as on beginning of the year	93,248	94,655
Additions	-	1,552
Depreciation	(2,715)	(2,960)
Balance at the end of the year	<u>90,533</u>	<u>93,247</u>

Amounts recognised in profit and loss

	31.12.24	31.12.23
	£'000	£'000
Depreciation expense on right-of-use assets	2,715	2,960
Interest expense on lease liabilities	5,231	5,219
Expense relating to variable lease payments not included in the measurement of the lease liability	<u>1,085</u>	<u>991</u>

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**18. 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 principally from the Company's intercompany receivables.

The company is also exposed to credit risk arising from other financial assets, which comprise of cash and short-term deposits. 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.

All short term trade and other payables, accruals, bank overdrafts and borrowings mature within one year or less. The carrying value of all financial liabilities due in less than one year is equal to their contractual undiscounted cash flows. The maturity profile of the contractual undiscounted cash flows of the Company's financial liabilities is as follows:

	31.12.24	31.12.23
	£000	£000
In less than one year	43,042	52,495
In more than one year but not more than two years	5,868	5,452
In more than two years but not more than three years	5,809	5,868
Total	<u>54,719</u>	<u>63,815</u>

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.

Foreign currency risk

The Company operates internationally and is, therefore, exposed to the foreign exchange risk which can negatively impact revenue, costs, margins and profits.

The Company transacts with its suppliers of finished goods, based in continental Europe and Asia, in euro and US dollar. In addition to this, the Company is exposed to transaction risk on the translation and conversion of surplus US dollar cash balances into pounds sterling.

The following table shows the extent to which the Company has monetary assets at the balance sheet date in currencies other than the local currency of operation. Monetary assets and liabilities refer to cash and other amounts to be received or paid in cash.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**Foreign currency risk- continued**

	Financial assets		Financial liabilities	
	31.12.24	31.12.23	31.12.24	31.12.23
	£000	£000	£000	£000
Euro	-	-	-	-
US dollar	54	-	-	70
Total	54	-	-	70

Capital risk management

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

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

Trade receivables, trade payables and borrowings

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

Fair value hierarchy

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:

	31.12.24	31.12.23
	£000	£000
Cash and cash equivalents	4,656	10,083
Trade and other receivables	1,601	1,995
Total financial assets	6,257	12,078
Trade and other payables	(37,812)	(46,863)
Total financial liabilities	(37,812)	(46,863)

Foreign exchange rate sensitivity analysis

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

	31.12.24	31.12.23
	Increase/ (decrease in equity)	
	£000	£000
10% appreciation in the US dollar	5	7
10% depreciation in the US dollar	(5)	(7)

A strengthening / weakening of sterling, as indicated, against the US dollar 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 considers to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables remain constant.

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 202419. **DEFERRED TAX**

	31.12.24 £000	31.12.23 £000
Non-current:		
Deferred tax assets	<u>7,416</u>	<u>7,105</u>

20. **CONTINGENCIES AND COMMITMENTS**

There is a cross-guarantee in place between certain group companies in respect of the current year bank facilities. The Company exposure/Contingent liability at the end of the year is £ nil (2023: £ nil).

The capital commitments at the end of year are £ 113 thousands (2023: £ 520 thousands)

21. **RELATED PARTIES**

	31.12.24 £000	31.12.23 £000
Holding Company		
Reliance Brands Limited		
- Purchases of Goods	56	339
Fellow Subsidiaries		
Hamleys Asia Limited		
- Commission expenses	<u>581</u>	<u>110</u>
	<u>637</u>	<u>449</u>

	Receivables outstanding		Payables outstanding	
	31.12.24	31.12.23	31.12.24	31.12.23
	£000	£000	£000	£000
Subsidiaries				
Hamleys Asia Limited	-	110	57	-
Hamleys (Franchising) Limited	-	-	20,840	17,046
Holding Companies				
Reliance Brands Holding UK Limited	-	-	6,829	19,597
Reliance Brands Limited (India)	-	-	97	-
	<u>-</u>	<u>110</u>	<u>27,823</u>	<u>36,643</u>

Hamleys of London LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2024**22. ULTIMATE PARENT COMPANY**

The Company is a subsidiary undertaking of Reliance Brands Holding UK Limited, a company incorporated in England. This is the smallest group in which the results of the Company are consolidated. Copies of the group financial statements are available from the Registrar of Companies, 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 Exchanges. Reliance Industries Limited's office address is 3rd Floor, Maker Chambers IV, 222, Nariman Point, Mumbai, Maharashtra 400021.

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on April 15, 2025.

24. EVENTS AFTER REPORTING PERIOD

Subsequent events have been evaluated till the date on which is the financial statements were issued. There are no subsequent events which have impact on these financial statements.