

Company Registration No. 08404551 (England and Wales)

Assembled Productions II UK Ltd

**Annual report and financial statements
for the year ended 31 May 2017**

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Assembled Productions II UK Ltd

Company information

Directors	Marsha Reed Nigel Cook David Galluzzi
Secretary	Marsha Reed
Company number	08404551
Registered office	3 Queen Caroline Street Hammersmith London W6 9PE
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

Assembled Productions II UK Ltd

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Assembled Productions II UK Ltd

Strategic report

For the year ended 31 May 2017

The directors present the strategic report for the year ended 31 May 2017.

Fair review of the business

During the year the company was involved in the production of a film.

The company has a profit of £7,810 (2016: £6,079) after tax and at the year end it net assets of £59,483 (2016: £51,673).

The directors have reviewed the principal risks and resultant uncertainties facing the company as being the ability to secure future contracts. However, the ultimate parent company has provided sufficient assurances that it will continue to support the company and provide the necessary finances for its future operations.

The directors consider the company's key financial performance indicator to be whether the production of the motion picture is produced in line with the agreed budget. The film was released in 2015, the estimated final cost of the motion picture was within the agreed budget.

The directors consider the company's key non-financial performance indicator to be whether the motion picture is certified as British. This is required in order to access the UK Film Tax Credit. The company has received a Final Certificate of a British Film to enable it to access the UK Film Tax Credit.

On behalf of the board



David Galluzzi

Director

16/02/2018

Assembled Productions II UK Ltd

Directors' report

For the year ended 31 May 2017

The directors present their annual report and financial statements for the year ended 31 May 2017.

Principal activities

The principal activity of the company during the year was that of motion picture production.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Marsha Reed
Nigel Cook
David Galluzzi

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments

The directors expect to continue the principal activity for the foreseeable future given the continued financial support received from its financiers, MVL Productions LLC, a wholly owned subsidiary of the ultimate parent company, The Walt Disney Company.

Auditors

Saffery Champness LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Assembled Productions II UK Ltd

Directors' report (continued)
For the year ended 31 May 2017

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



David Galluzzi

Director

Date: 16/02/2018

Assembled Productions II UK Ltd

Independent auditors' report

To the members of Assembled Productions II UK Ltd

We have audited the financial statements of Assembled Productions II UK Ltd for the year ended 31 May 2017 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Assembled Productions II UK Ltd

Independent auditors' report (continued)

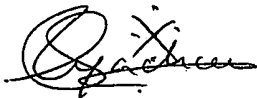
To the members of Assembled Productions II UK Ltd

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 and the Directors' Report.

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.



Moses Nyachae (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

23/02/2018

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Assembled Productions II UK Ltd

**Statement of comprehensive income
For the year ended 31 May 2017**

	Notes	2017 £	2016 £
Turnover	3	4,520,663	16,003,782
Cost of sales		(5,650,788)	(29,542,831)
Gross loss		(1,130,125)	(13,539,049)
Administrative expenses		(15,500)	(24,496)
Loss before taxation		(1,145,625)	(13,563,545)
Taxation	6	1,153,435	13,569,624
Profit for the financial year		7,810	6,079
Other comprehensive income		-	-
Total comprehensive income for the year		7,810	6,079

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

Assembled Productions II UK Ltd

**Balance sheet
As at 31 May 2017**

		2017		2016
				as restated
	Notes	£	£	£
Current assets				
Debtors	7	1,184,638	13,885,767	
Cash at bank and in hand		45,679	157,582	
		<u>1,230,317</u>	<u>14,043,349</u>	
Creditors: amounts falling due within one year	8	<u>(1,170,834)</u>	<u>(13,991,676)</u>	
Net current assets		<u>59,483</u>		<u>51,673</u>
Capital and reserves				
Called up share capital	9	1	1	
Profit and loss reserves		59,482	51,672	
Total equity		<u>59,483</u>		<u>51,673</u>

The financial statements were approved by the board of directors and authorised for issue on 18/02/2018 and are signed on its behalf by:



David Galluzzi
Director

Company Registration No. 08404551

Assembled Productions II UK Ltd

**Statement of changes in equity
For the year ended 31 May 2017**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 June 2015	1	49,531	49,532
Effect of transition to FRS 102	-	(3,938)	(3,938)
	<u>1</u>	<u>45,593</u>	<u>45,594</u>
Balance at 1 June 2015	1	45,593	45,594
	<u>1</u>	<u>45,593</u>	<u>45,594</u>
Year ended 31 May 2016:			
Profit and total comprehensive income for the year	-	6,079	6,079
	<u>-</u>	<u>6,079</u>	<u>6,079</u>
Balance at 31 May 2016	1	51,672	51,673
	<u>1</u>	<u>51,672</u>	<u>51,673</u>
Year ended 31 May 2017:			
Profit and total comprehensive income for the year	-	7,810	7,810
	<u>-</u>	<u>7,810</u>	<u>7,810</u>
Balance at 31 May 2017	1	59,482	59,483
	<u>1</u>	<u>59,482</u>	<u>59,483</u>

Assembled Productions II UK Ltd

Notes to the financial statements For the year ended 31 May 2017

1 Accounting policies

Company information

Assembled Productions II UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 3 Queen Caroline Street, Hammersmith, London, W6 9PE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

- The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of The Walt Disney Company. These consolidated financial statements are available from its registered office, 500 Buena Vista Street, Burbank, California 91521, USA.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Assembled Productions II UK Ltd

Notes to the financial statements (continued)

For the year ended 31 May 2017

1 Accounting policies (continued)

1.3 Turnover

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Value of work done in respect of long-term contracts and contracts for on-going services is determined by reference to the stage of completion.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Assembled Productions II UK Ltd

Notes to the financial statements (continued)

For the year ended 31 May 2017

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Assembled Productions II UK Ltd

Notes to the financial statements (continued)
For the year ended 31 May 2017

1 Accounting policies (continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts 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.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently recoverable and deferred tax.

Assembled Productions II UK Ltd

Notes to the financial statements (continued)

For the year ended 31 May 2017

1 Accounting policies (continued)

Current tax

The tax currently recoverable is based on relievable losses arising in the year as the result of film tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying film development expenditure and exclude items of income or expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The company's tax position is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions where practicable, else at the average rate over the period in which the transactions were incurred. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Assembled Productions II UK Ltd

Notes to the financial statements (continued)
For the year ended 31 May 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover analysed by class of business		
Sale of film rights	4,520,663	16,003,782

	2017	2016
	£	£
Turnover analysed by geographical market		
United States of America	4,520,663	16,003,782

4 Auditors' remuneration

	2017	2016
	£	£
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the financial statements of the company	9,000	24,496
For other services		
All other non-audit services	6,500	11,115

5 Employees

Other than the directors, the company had no employees in either the current or prior year.

Assembled Productions II UK Ltd**Notes to the financial statements (continued)****For the year ended 31 May 2017****6 Taxation**

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current year	(1,153,435)	(13,569,624)

The credit for the year can be reconciled to the loss per the profit and loss account as follows:

	2017	2016
	£	£
Loss before taxation	(1,145,625)	(13,563,545)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.83% (2016: 20.00%)	(227,177)	(2,712,709)
Enhanced losses arising from the film tax credit	(918,628)	(4,345,692)
Difference between the rate of corporation tax and the rate of relief under film tax credit	(238,530)	(1,086,719)
Adjustments in respect of prior years	-	(8,136,026)
Group relief	230,900	2,711,522
Tax credit for the year	(1,153,435)	(13,569,624)

7 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	1,153,435	13,569,624
Amounts due from fellow group undertakings	-	309,782
Other debtors	31,203	6,361
	1,184,638	13,885,767

Assembled Productions II UK Ltd

Notes to the financial statements (continued)
For the year ended 31 May 2017

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	-	5,834
Amount due to parent undertaking	1,155,334	13,956,818
Accruals and deferred income	15,500	29,024
	<u>1,170,834</u>	<u>13,991,676</u>

9 Share capital

	2017	2016
	£	£
Ordinary share capital Issued and fully paid 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

10 Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

11 Controlling party

The company's immediate parent undertaking is MVL Productions, LLC a company registered in the United States of America.

The directors regard The Walt Disney Company, a company incorporated in the United States of America, as the ultimate parent company.

The largest group for which accounts are prepared and which the company is a member is The Walt Disney Company. Copies of group accounts of The Walt Disney Company can be obtained from 500 Buena Vista Street, Burbank, California, 91521, USA.

The directors are unable to identify the ultimate controlling party of The Walt Disney Company, if any.