

Registered Number: 08802122

Walt Disney EMEA Productions Limited

**Annual report and financial statements for the
period from 4 October 2020 to 2 October 2021**



Walt Disney EMEA Productions Limited

Annual report and Financial Statements For the period from 4 October 2020 to 2 October 2021

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Walt Disney EMEA Productions Limited

Strategic report for the period from 4 October 2020 to 2 October 2021

The Directors present their Strategic report of Walt Disney EMEA Productions Limited ('the Company') for the period from 4 October 2020 to 2 October 2021 (prior financial period ended 3 October 2020).

Principal activities, review of business and future developments

The Company's principal activity is the commissioning of programme productions and co-productions for television broadcasting and direct-to-consumer subscription-based video streaming services together with the requisition of related services (the "Principal Activity"). It is considered that the Company's activities will remain unchanged for the foreseeable future.

The Company's profit for the financial period was £61,000 (2020: profit of £32,000) and its turnover was £42,859,000 (2020: £17,219,000). One of the Company's principal purposes is to engage external production companies to produce and deliver new content for global exploitation by The Walt Disney Company Limited (known as "TWDC"), an affiliate of the Company. On 24 March 2020, TWDC launched its direct-to-consumer subscription-based video streaming service ("Disney+") with Disney, Pixar, Marvel, Star Wars and National Geographic branded programming. In order to support the launch and expansion of content on this platform, the Company increased its programming activity during the period, resulting in increase in revenue and cost of sales.

In December 2019 there was an outbreak of COVID-19, which the World Health Organisation declared a pandemic on 11 March 2020. COVID-19 has had an impact on the Company's operations.

In the prior period, the effect of the UK government's virus mitigation actions was the curtailment of almost all physical production activity in the UK for a period of months. During the current period, television production in the UK has increased significantly in accordance with social distancing and Health & Safety guidance.

Going concern

The Directors have received assurances of continued financial support from a fellow group undertaking, in the form of a letter of support for similar period of at least 12 months from the date of these financial statements being signed. The Directors are comfortable that the fellow group undertaking is in a good financial position to support the Company.

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is well placed to manage its business risks. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Refer to note 3 for further details.

Principal risks and uncertainties

The activity of the Company is the commission and distribution of television programme productions and co-productions for broadcasting purposes. Below are the most significant factors that could materially affect future developments and performance:

(1) Changes in UK and Europe wide economic conditions, including the impact of pandemic

A decline in economic activity and changes in political conditions in the UK and across European markets in which we do business, such as recession, economic downturn, inflationary conditions, or the impacts of pandemics, can adversely affect demand for production services, thus reducing our revenues. Economic, political conditions and the impact of pandemics can also impair the ability of those with whom we do business to satisfy their obligations to us. Changes in exchange rates for foreign currencies may reduce demand or reduce the value of revenue we receive from other markets.

Walt Disney EMEA Productions Limited

Strategic report for the period from 4 October 2020 to 2 October 2021 (continued)

Principal risks and uncertainties (continued)

(2) Changes in public and consumer tastes and preferences and competitive landscapes

The success of our businesses depends on our ability to consistently provide high quality production services that meet the changing preferences of our end customer market. We face substantial competition from alternative providers of the services we offer.

(3) Changes in complete production tax incentives locally and globally

Local tax incentives are available to the Company to carry out programme productions and co-productions. Any changes to such tax incentives could have an adverse impact on the Company.

(4) Regulatory environment

Our operations are subject to the laws and regulations of the jurisdictions in which they operate. Laws and regulations can differ in significant respects across jurisdictions and these differences can affect our ability to react to changes in our business and our ability to enforce rights.

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

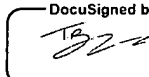
Key performance indicators ("KPIs")

The Company's Key performance indicator is as follows:

Measure	Description	2021	2020
		£000	£000
Turnover	Total sales for the financial period	42,859	17,219

During the prior period, limited production activity took place due to Covid-19 restrictions in place. The increase in revenue in current period is due to an increase in the volume of programming activity following easing of Covid-19 restrictions and to support the launch and expansion of content on the direct-to-consumer subscription-based video streaming service ("Disney+") of The Walt Disney Company.

Approved by the Board on 14 April 2023 and signed on its behalf by:

DocuSigned by:

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 T A Bermingham
 Director

Walt Disney EMEA Productions Limited

Directors' report for the period from 4 October 2020 to 2 October 2021

The Directors present their report and audited financial statements of Walt Disney EMEA Productions Limited ('the Company') for the period from 4 October 2020 to 2 October 2021 (prior financial period ended 3 October 2020).

Future developments

The Company's future development plans are explained in the Strategic Report.

Dividends

No dividends were paid or received during the current or prior periods. The Directors do not recommend that a dividend be paid for the period from 4 October 2020 to 2 October 2021.

Financial risk management

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

(1) Credit risk

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

(2) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Company maintains cash and cash equivalents to ensure sufficient funds are available for operations and therefore there is minimal exposure to liquidity risk.

(3) Inflation risk:

Actions to reduce inflation, including raising interest rates, could result in a reduction of discretionary consumer spend or a shift in consumer demand away from the entertainment and consumer products we offer. In addition, an increase in price levels generally can increase our costs. The adverse impact on the Company of this inflationary environment will depend, in part, on its severity and duration. The Company's ability to mitigate any profitability impacts will be limited.

Directors of the company

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

T A Bermingham	(appointed on 6 January 2023)
J R Parsons	(appointed on 6 January 2023)
S Brugger	(appointed on 26 November 2020)
S P Taylor	(resigned on 6 January 2023)
Z Hansson	(resigned on 30 November 2020)

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial 52 week period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law.

Walt Disney EMEA Productions Limited

Directors' report for the period from 4 October 2020 to 2 October 2021 (continued)

Statement of Directors' responsibilities in respect of the financial statements (continued)

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

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

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

Directors' confirmations

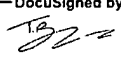
In the case of each Director in office at the date the Directors' Report is approved:

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

Independent auditors

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

The financial statements on pages 10 to 22 were approved by the Board of Directors on 14 April 2023 and signed on its behalf by

DocuSigned by:

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T A Bermingham

Director

Walt Disney EMEA Productions Limited

Independent auditors' report to the members of Walt Disney EMEA Productions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Walt Disney EMEA Productions Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 October 2021 and of its profit for the period from 4 October 2020 to 2 October 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of financial position as at 2 October 2021; the Income statement and the Statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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

Reporting on other information

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

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

Walt Disney EMEA Productions Limited

Independent auditors' report to the members of Walt Disney EMEA Productions Limited (continued)

Report on the audit of the financial statements (continued)

Reporting on other information (continued)

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

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

Strategic report and Directors' report for the period ended 2 October 2021

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 2 October 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Reviewed board minutes to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statements disclosures to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging management's significant judgements and estimates;
- Identifying and testing manual journal entries, in particular any journal entries posted with unusual account combinations

Walt Disney EMEA Productions Limited

Independent auditors' report to the members of Walt Disney EMEA Productions Limited (continued)

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Paul Wheeler (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 April 2023

Walt Disney EMEA Productions Limited

Income statement

For the period from 4 October 2020 to 2 October 2021

		Period ended 2 October 2021	Period ended 3 October 2020
	Note	£'000	£'000
Turnover	4	42,859	17,219
Cost of sales		(39,810)	(14,135)
Gross profit		3,049	3,084
Administrative expenses		(2,987)	(3,303)
Operating profit/(loss)	5	62	(219)
Interest receivable and similar income		2	1
Interest payable and similar expenses		(3)	-
Profit/(loss) before taxation		61	(218)
Tax on profit / (loss)	6	-	250
Profit for the financial period		61	32

The results shown above are derived from continuing operations. There were no recognised gains or losses for the period other than those included in the Income statement above, and therefore no separate statement of comprehensive income has been presented.

The notes on pages 13 to 22 are an integral part of these financial statements.

Walt Disney EMEA Productions Limited

Statement of financial position As at 2 October 2021

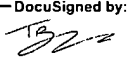
		2 October 2021	3 October 2020
	Note	£'000	£'000
Current assets			
Debtors	7	26,988	2,367
Cash at bank and in hand		1,264	739
		28,252	3,106
Creditors: amounts falling due within one year	8	(27,945)	(2,860)
Net current assets		307	246
Total assets less current liabilities		307	246
Net assets		307	246
Capital and reserves			
Called up share capital *	10	-	-
Retained Earnings	10	307	246
Total shareholders' funds		307	246

* Called up share capital, the Company had 1 Ordinary share of £1 each during the current and prior period.

The notes on pages 13 to 22 are an integral part of these financial statements.

The financial statements of Walt Disney EMEA Productions Limited (registration number 08802122) were approved by the Board of Directors and authorised for issue on 14 April 2023.

They were signed on its behalf by:

DocuSigned by:

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T A Bermingham
Director

Walt Disney EMEA Productions Limited

Statement of changes in equity

For the period from 4 October 2020 to 2 October 2021

	Called up share capital* £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance as at 29 September 2019	-	-	214	214
Profit for the financial period	-	-	32	32
Total comprehensive income for the period	-	-	32	32
Balance as at 3 October 2020	-	-	246	246
Profit for the financial period	-	-	61	61
Total comprehensive income for the period	-	-	61	61
Balance as at 2 October 2021	-	-	307	307

* Called up share capital, the Company had 1 Ordinary share of £1 each during the current and prior period.

The notes on pages 13 to 22 are an integral part of these financial statements.

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021

1 General information

Walt Disney EMEA Productions Limited (the "Company") is a private company limited by shares. It is incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

3 Queen Caroline Street
Hammersmith
London
W6 9PE

The Company is a wholly owned subsidiary of Wedco EMEA Ventures Limited whose ultimate parent company is The Walt Disney Company, incorporated in the United States of America. The consolidated financial statements of The Walt Disney Company are publicly available. See note 13 for further details.

The Company's principal activity is the commissioning of programme productions and co-productions for television broadcasting and streaming on direct-to-consumer subscription-based video streaming services purposes together with the requisition of related services (the "Principal Activity"). It is considered that the Company's activities will remain unchanged for the foreseeable future.

2 Statement of compliance

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

3 Summary of significant accounting policies

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

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom on a basis consistent with the prior period.

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

b) Going concern

The Directors have received assurances of continued financial support from a fellow group undertaking, in the form of a letter of support for similar period of at least 12 months from the date of these financial statements being signed. The Directors are comfortable that the fellow group undertaking is in a good financial position to support the Company.

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is well placed to manage its business risks. Therefore, the Directors have a reasonable expectation that

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

b) Going concern (continued)

the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Exemptions for qualifying entities under FRS 102

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

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

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- v) from the requirement to provide certain share-based payments disclosures as required by paragraphs 26.18(b), 26.19, 26.20, 26.21 and 26.23 of FRS 102, concerning its own equity.

d) Accounting reference date

The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting period on the closest Saturday to 30 September each period. An accounting reference date of 2 October 2021 has been adopted for the current period. The financial period represents the 52 weeks ended Saturday 2 October 2021 (prior financial period represents the 53 weeks ended Saturday 3 October 2020).

e) Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is UK Pound Sterling and rounded to thousands.

(ii) Transactions and balances

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

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

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

f) Turnover

Turnover represents the fair value of amounts receivable from affiliate companies for all production costs incurred by the Company exclusive of value added tax. Production costs incurred are charged to affiliate companies at cost or cost plus 10% (2021: 5%) where applicable.

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

4 Summary of significant accounting policies (continued)

f) Turnover (continued)

Deferred income relates to money received in advance for services that are yet to be delivered.

g) Programming production costs and related prepaid expenses

Certain costs are paid in advance to third party production companies and a prepayment is recognised for these. Each prepayment is then assessed against the stage of completion of the production and the prepayment is unwound through the income statement as incurred by the third party.

h) Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

ii) Deferred tax

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

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

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

i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. As at 2 October 2021 the Company held £136,636 in bank overdrafts (2020: £nil).

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

j) Financial instruments

(i) Financial assets

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

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

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

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

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

(ii) Financial liabilities

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one period 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

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

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

3 Summary of significant accounting policies (continued)

k) Related party transactions

The Company has taken the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same Group that are wholly owned by the same ultimate parent company. The address at which the consolidated financial statements of the ultimate parent company are publicly available is included in note 13.

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

l) Critical accounting judgements and key sources of estimation uncertainty

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

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

Production cost estimates (E)

The Company engages with numerous external production companies to produce and deliver new content for global exploitation by The Walt Disney Company (known as "TWDC"), an affiliate of Walt Disney EMEA Productions Limited. Costs related to such productions are recognized on an accrual basis with reference to cost reports received from external production companies. Where the cost reports are not readily available as at the financial period end, management estimate the costs incurred on each production as at the financial period end by using the most recent cost reports received from each external production company immediately prior to and after the financial period end. The costs are recognized during the period as such or recognized as prepaid expenses if they relate to a future period. Due to the cost-plus recharge mechanism, recognition of production costs has an impact on the recognition of revenue / deferred income for the period.

Tax credits (J)

The Company accounts for the benefit of film tax credits received as a credit to the income statement tax line item and not as a credit to operating costs (cost of sales and administrative expenses) due to their judgement regarding the nature of the tax credit received.

*(E - critical accounting estimates and assumptions; J - critical judgements in applying the Company's accounting policies)

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

4 Turnover

Turnover represents the fair value of amounts receivable from affiliate companies and third parties for all production costs incurred by the Company exclusive of value added tax. Production costs incurred are charged to affiliate companies at cost or cost plus 10% (2021: 5%) where applicable.

Geographical segments

All turnover is generated from production service activities with affiliated Group Companies within the United Kingdom and therefore it is the opinion of the Directors that a segmental reporting turnover disclosure is not required.

5 Operating profit / (loss)

Operating profit / (loss) is stated after (crediting)/charging:

	Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000
Foreign exchange (gain)	(119)	(130)
Auditors' remuneration for audit of financial statements	13	12

The Company had no employees during the period ended 2 October 2021 (2020: nil). Staff-related costs of £618,000 (2020: £753,000) are recharged to the Company from affiliate companies forming part of the programming production costs.

6 Tax on profit / (loss)

The tax expense / (credit) is based upon the taxable income/ loss for the period and comprises:

	Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000
Current tax:		
UK corporation tax on profits for the period at 19% (2020: 19%)	-	(250)
Total current tax	-	(250)

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

6 Tax on profit / (loss) (continued)

The tax assessed for the period is lower (prior year: higher) than the standard rate of corporation tax in the UK for the period from 4 October 2020 to 2 October 2021: 19% (2020: 19%). The differences are explained below:

	Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000
Profit / (Loss) before taxation	61	(218)
Profit / (Loss) before taxation multiplied by expected rate of corporation tax in the UK of 19% (2020: 19%)	12	(41)
Enhanced losses arising from children's television tax credits	-	(196)
Difference between the rate of corporation tax and the rate of relief under the children's television tax credit	-	(60)
Unutilised losses surrendered to other group companies for nil consideration		47
<u>Effects of:</u>		
Group relief (claimed) / surrendered	(12)	-
Total tax charge/ (credit) for period	-	(250)

Factors that may affect future tax charges

The Finance Act 2022 introduced provisions to increase the tax rate from 19% to 25% from 1 April 2023.

7 Debtors

Amounts falling due within one year:

	2 October 2021 £'000	3 October 2020 £'000
Trade debtors	400	61
Corporation tax	250	2,306
VAT receivable	4,925	-
Prepayments and accrued income	21,332	-
Other Debtors	81	-
Total	26,988	2,367

Prepayments relate to advance payments made to production companies for services that are yet to be delivered.

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

8 Creditors: Amounts falling due within one year

Amounts falling due within one year:

	2 October 2021	3 October 2020
	£'000	£'000
Trade creditors	6,735	1,331
Amounts owed to group undertakings	311	1,382
Other creditors	-	22
Accruals and deferred income	20,899	125
Total	27,945	2,860

Amounts owed to group undertakings are interest free, repayable on demand and unsecured. Deferred income relates to amounts received in advance for delivery of production services/support to be performed in future.

9 Financial instruments by category

	Note	2 October 2021	3 October 2020
		£'000	£'000
Financial assets measured at amortised cost:			
Trade debtors	7	400	61
Other debtors	7	81	-
Cash at bank and in hand		1,264	739
Total		1,745	800

	Note	2 October 2021	3 October 2020
		£'000	£'000
Financial liabilities measured at amortised cost:			
Trade creditors	8	6,735	1,331
Amount owed to group undertakings	8	311	1,382
Accruals	8	13	125
Other creditors	8	-	22
Total		7,059	2,860

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

10 Called up share capital and reserves

	2 October 2021 £	3 October 2020 £
Allotted, called up and fully paid		
1 (2020: 1) Ordinary share of £1 each (2020: 1)	1	1

Reserves

Retained Earnings

Retained Earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

11 Directors' remuneration

The Directors did not receive any emoluments in respect of their services to the Company (2020: £nil). The Directors are remunerated by other Group companies and it is not possible to determine the split of remuneration as their services to this company are incidental to their overall duties. No compensation for loss of office was paid to any director (2020: £nil).

12 Related party transactions

The Company is a wholly owned subsidiary of Wedco EMEA Ventures Limited whose ultimate parent undertaking and controlling party is The Walt Disney Company. Consequently, the Company utilises the exemption contained in paragraph 33.1A of FRS 102, 'Related party disclosures', not to disclose any transactions with entities that are included in the consolidated financial statements of The Walt Disney Company. The address at which the consolidated financial statements of the ultimate parent company are publicly available is included in note 13.

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

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

There were no other related party transactions during the current or prior periods.

Walt Disney EMEA Productions Limited

Notes to the financial statements

For the period from 4 October 2020 to 2 October 2021 (continued)

13 Ultimate Parent Undertaking

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

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

Name	The Walt Disney Company
Country of Incorporation	United States of America
Tax identification number	83-0940635
Address from where copies of the group financial statements can be obtained	500 South Buena Vista St. Burbank, California 91521-9722 USA