

Registration number: 9074960

Universal Studios Limited

Annual Report and Financial Statements

for the Period from 16 July 2014 to 31 December 2015

FRIDAY



A5GL9HV7

A58

30/09/2016

#71

COMPANIES HOUSE

Universal Studios Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 8
Profit and Loss Account	9
Statement of Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 28

Universal Studios Limited

Company Information

Directors	J J Beesley
	D C Clark
	K M MacLellan
	B E Menendez
	J W Revill
	M J Laithwaite
	T Lockhart
	D J T Bratchell
	M M Low
	C Stalins-Fussman
Registered office	1 Central St Giles St Giles High Street London WC2H 8NU
Auditors	Deloitte LLP Chartered Accountants and Statutory Auditor London, UK

Universal Studios Limited

Strategic Report for the Period from 16 July 2014 to 31 December 2015

The directors present their strategic report for the period from 16 July 2014 to 31 December 2015.

In preparing this strategic report, the directors have complied with Section 414C of the Companies Act 2006.

Principal activity

The principal activity of the company is the international exploitation and distribution of motion pictures, television films and series and other audio-visual works and associated brands. The company also acts as a holding company for a portion of the international operations of NBCUniversal Media, LLC. In the prior accounting period the company was dormant.

Results and dividends

The results of the company show a pre-tax profit of \$396,000,000 (2014: \$nil) for the period and turnover of \$3,043,000,000 (2014: \$nil).

The profit for the period, after taxation, amounted to \$315,000,000 (2014: \$nil).

The directors did not declare payment of a final dividend (2014: \$nil).

The directors did not declare an interim dividend for the period (2014: \$nil).

The company has net assets of \$989,000,000 (2014: net assets of \$1) out of which \$280,000,000 (2014: \$1 due from) is due to fellow group companies.

Enhanced business review

Television distribution activities continue to grow annually and are affected by our theatrical and home entertainment releases. The NBCUniversal Group's 2015 theatrical slate resulted in historically high revenues in 2015 due to Furious 7, Jurassic World and Minions. Theatrical distribution activities are expected to decline in 2016 but anticipated to strengthen in 2017 due to a larger film slate. The overall home entertainment market continues to experience declines due to the maturation of the standard-definition DVD format, increasing shifts in consumer behaviour toward digital distribution services, and subscription rental services, all of which generate less revenue per transaction than DVD sales, as well as due to piracy.

Effective 1 January 2015, the company was engaged by its parent, Universal City Studios Productions LLLP, to undertake certain international distribution and licensing activities previously performed by Universal Studios International B.V. All trading assets and liabilities in relation to the relevant distribution and licensing activities were sold by Universal Studios International B.V. to the Company at book value of \$(31,000,000). On the same date, the Company issued one share to its parent, Universal City Studios Productions LLLP at a premium of \$462,473 in return for the assets and liabilities of the previous owner of Universal Studios International B.V. The total book value of transferred assets and liabilities amounted to \$675,000,000 which included the shares in Universal Studios International B.V.

The company's key financial and other performance indicators during the period were as follows:

	Unit	2015	2014
Operating margin	%	13.24	-
Gross margin	%	26.62	-
Net profit	%	10.35	-

The operating margin is the ratio of operating profit before exceptional items to sales expressed as a percentage.

Universal Studios Limited

Strategic Report for the Period from 16 July 2014 to 31 December 2015

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to the risks affecting the distribution of media products. These are the competitive pressures within the entertainment industry, a challenging macroeconomic environment, rapid technological change and increased risk of piracy.

Market Risks

The company operates in an intensely competitive, consumer-driven and rapidly changing environment and competes with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information products and services to consumers. Technological changes are further intensifying and complicating the competitive landscape for the company by challenging existing business models and affecting consumer behaviour.

Financial Risks

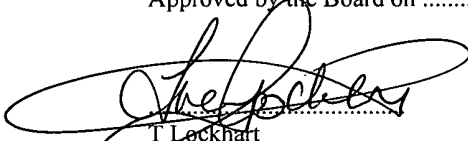
The company is fully supported within the group, which manages a mixture of debt and equity funding in order to minimise risk exposure and enable optimal business performance. Consequently, the company does not hold external debt and is resilient to risks arising from movements in interest rates. The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company enters into derivative financial instruments, from time to time, in order to mitigate the risks of changes in foreign currency exchange rates.

Policies have been implemented with the company to minimise liquidity risk, through maintenance of an internal reporting structure based on cash targets. Additionally, appropriate credit checks are carried out for all potential customers before contracts are entered into, with status monitoring taking place throughout.

Future developments

No significant changes to the future activities of the business are expected.

Approved by the Board on 29 Sept 2016 and signed on its behalf by:



T Lockhart
Director

Universal Studios Limited

Directors' Report for the Period from 16 July 2014 to 31 December 2015

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the period from 16 July 2014 to 31 December 2015.

Directors of the company

The directors who held office during the period were as follows:

J J Beesley

A P Buss (resigned 12 February 2015)

D C Clark (appointed 1 January 2015)

A N Hall (resigned 11 May 2015)

K M MacLellan (appointed 1 January 2015)

D K McGregor (appointed 1 January 2015 and resigned 14 December 2015)

B E Menendez (appointed 1 January 2015)

J W Revill (appointed 1 January 2015)

M J Laithwaite (appointed 11 May 2015)

T Lockhart (appointed 21 October 2015)

The following directors were appointed after the period end:

D J T Bratchell (appointed 21 January 2016)

M M Low (appointed 17 August 2016)

C Stalins-Fussman (appointed 22 February 2016)

Directors' indemnities

The company has made no qualifying third party indemnity provisions for the benefit of its directors during the year.

Going concern

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 in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 1 to the financial statements.

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Universal Studios Limited

Directors' Report for the Period from 16 July 2014 to 31 December 2015

Reappointment of auditors

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting. This information is given and should be interpreted in accordance with the provisions of Section 487 of the Company's Act 2006.

Approved by the Board on 29 Sept 2016 and signed on its behalf by:



T Lockhart
Director

Universal Studios Limited

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Universal Studios Limited

Independent Auditor's Report

We have audited the financial statements of Universal Studios Limited for the period from 16 July 2014 to 31 December 2015 which comprise of the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes set out on pages 13 to 28. 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 auditor's 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), 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 Republic of Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

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 Strategic Report and Directors' 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 the 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 December 2015 and of its profit for the period 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

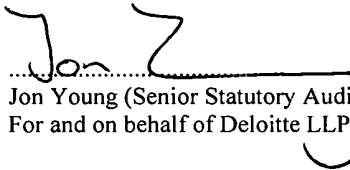
Matters on which we are required to report by exception

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:

Universal Studios Limited

Independent Auditor's Report

- 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


.....
Jon Young (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

London, UK

Date: 29 Sept 2016

Universal Studios Limited

Profit and Loss Account for the Period from 16 July 2014 to 31 December 2015

	Note	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Turnover	2	3,043	-
Cost of sales		<u>(2,233)</u>	<u>-</u>
Gross profit		810	-
Distribution costs		(375)	-
Administrative expenses		<u>(32)</u>	<u>-</u>
Operating profit	3	<u>403</u>	<u>-</u>
Interest payable and similar charges	4	(7)	-
Amounts written off investments		<u>-</u>	<u>-</u>
		<u>(7)</u>	<u>-</u>
Profit on ordinary activities before taxation		396	-
Tax on profit on ordinary activities	8	<u>(81)</u>	<u>-</u>
Profit for the financial period		<u><u>315</u></u>	<u><u>-</u></u>

The above results were derived from continuing operations.

Universal Studios Limited

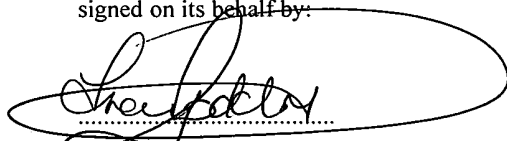
Statement of Other Comprehensive Income for the Period from 16 July 2014 to 31 December 2015

	Note	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Profit for the period		<u>315</u>	<u>-</u>
Total comprehensive income for the period		<u><u>315</u></u>	<u><u>-</u></u>

Universal Studios Limited
(Registration number: 9074960)
Balance Sheet as at 31 December 2015

	Note	31 December 2015 \$ m	15 July 2014 \$ m
Fixed assets			
Investments	9	641	-
Current assets			
Debtors	11	1,170	-
Cash at bank and in hand		<u>2</u>	<u>-</u>
		1,172	-
Creditors: Amounts falling due within one year	12	<u>(783)</u>	<u>-</u>
Net current assets		<u>389</u>	<u>-</u>
Total assets less current liabilities		1,030	-
Creditors: Amounts falling due after more than one year	12	<u>(41)</u>	<u>-</u>
Net assets		<u>989</u>	<u>-</u>
Capital and reserves			
Called up share capital	14	-	-
Share premium reserve		-	-
Retained earnings		<u>989</u>	<u>-</u>
Shareholder's funds		<u>989</u>	<u>-</u>

The financial statements have been approved and authorised for issue by the Board on 29 Sept 2016 and signed on its behalf by:


 T Lockhart
 Director

Universal Studios Limited

Statement of Changes in Equity for the Period from 16 July 2014 to 31 December 2015

	Share capital \$ m	Share premium \$ m	Retained earnings \$ m	Total \$ m
At 6 June 2014	-	-	-	-
At 15 July 2014	-	-	-	-
	Share capital \$ m	Share premium \$ m	Retained earnings \$ m	Total \$ m
Profit for the period	-	-	315	315
Total comprehensive income	-	-	315	315
Other changes, increase/(decrease) in equity	-	-	674	674
At 31 December 2015	-	-	989	989

The notes on pages 13 to 28 form an integral part of these financial statements.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in U.S. dollars ("USD"). The USD is used as functional currency, since the majority of the Company's activities and transactions are denominated in USD.

Summary of disclosure exemptions

The company has taken advantage of the exemption provided by FRS 102 Section 9.3 and has not prepared group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Exemptions have also been taken under FRS 102 Section 1 in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Going concern

The directors have reviewed the current financial performance and position of the company, including the arrangements with group undertakings.

On the basis of their assessment of the company's current financial performance and position, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the financial statements.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

Judgements

In preparing these financial statements, the directors have made the following judgements:

Determining whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment.

Determining the recoverability of trade debtors. We base our judgments on our historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of trade debtors.

Key sources of estimation uncertainty

The directors have determined that the calculation of the value in use of the company's investments represents a key source of estimation uncertainty. The carrying amount of investments is \$641,000,000 (2014 - \$Nil).

Turnover

Revenues from theatrical distribution are recognised on the dates of exhibition.

Revenue from the sale of DVDs and Blu-Ray Discs is recognised when the significant risks and rewards of ownership have been transferred to the buyer, net of returns, trade allowances, duties and taxes paid. Revenue net of expected returns is recognised for new releases where shipment has occurred, on release date, and upon shipment to the customer for catalogue products.

Trading terms with customers include return allowances. Provisions are made based on total DVD- and Blu-Ray Discs sales and historical patterns of returns.

Revenues from television licensing agreements are recognised when the film, series or television program is initially available to the licensee for telecast or sale. The company recognises revenue for video-on-demand and similar pay-per-view arrangements as the feature films, series or television programming are exhibited based on end-customer purchases as reported by the licensee/distributor. Payments in advance of initial availability are classified as deferred revenue until all conditions of revenue recognition have been met.

Finance income and costs policy

Interest receivable is recognised as interest accrues, using the effective interest rate method. All interest receivable is recognised in the profit and loss accounts.

Interest payable is recognised as interest accrues. All interest payable is recognised in the profit and loss account.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity shares are recognised in income when receivable.

The carrying amounts of the company's financial fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cashgenerating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement as diminution in valuation participations.

The recoverable amount is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An estimated long term growth-rate is used for the estimate of cash-flows beyond the projection period of 5 years.

For the long term growth-rate we use market specific rates.

An impairment loss in respect of an investment is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. If it is established that a previously required impairment loss no longer applies, the increased carrying amount of the asset in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised.

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors 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.

Trade debtors are derecognised when the contractual rights to the cash flows from the trade debtor expire or are settled

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

Trade creditors

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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised at the transaction price. Trade creditors are derecognised only when the obligation specified in the contract has been discharged, cancelled or expires.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

Financial instruments

Classification

Financial instruments include investments in shares, trade and other receivables, cash items, loans and other financing commitments, trade and other payables.

Recognition and measurement

Financial instruments are initially recognised at fair value. Financial commitments that are not held for trading purposes are carried at amortised cost using the effective interest rate method.

Impairment

The carrying amounts of the Company's financial instruments are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cashgenerating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement as diminution in valuation participations.

Derivative financial instruments and hedging

Derivatives

The fair value of forward exchange transactions is based on the quoted market price, if available. If there is no market price available, the fair value is estimated on the basis of the expected cash flows discounted at the current interest rates.

Hedging

The Company uses forward exchange contracts to hedge exchange rate risks resulting from sale transactions. The Company does not apply hedge accounting and recognises the results from changes in the value of the forward foreign exchange contracts and the hedged receivable or payable in the Income Statement.

2 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Television distribution	1,767	-
Theatrical distribution	997	-
Home entertainment distribution	279	-
	<u>3,043</u>	<u>-</u>

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

An analysis of turnover by geography is given below:

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
UK	448	-
Rest of European Union	1,606	-
Rest of World	989	-
	<u>3,043</u>	<u>-</u>

3 Profits on ordinary activities before taxation

Arrived at after charging/(crediting)

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Foreign exchange gains	<u>(2)</u>	<u>-</u>

4 Interest payable and similar charges

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Interest on loans from group undertakings	<u>7</u>	<u>-</u>

5 Auditors' remuneration

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Audit of the financial statements	<u>0.4</u>	<u>-</u>

There were no fees payable to the company's auditor for non-audit services during the period.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Wages and salaries	16	-
Social security costs	1	-
Pension costs, defined contribution scheme	1	-
	<u>18</u>	<u>-</u>

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

	16 July 2014 to 31 December 2015 No.	6 June 2014 to 15 July 2014 No.
Administration and support	7	-
Marketing	11	-
Other departments	61	-
	<u>79</u>	<u>-</u>

7 Directors' remuneration

The directors' remuneration for the period was as follows:

	16 July 2014 to 31 December 2015 \$ m
Remuneration	<u>3</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	16 July 2014 to 31 December 2015 No.
Received or were entitled to receive shares in parent company under long term incentive schemes	3
Exercised share options in parent company	<u>3</u>

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

In respect of the highest paid director:

	16 July 2014 to 31 December 2015 \$ m
Remuneration	1
Benefits under long-term incentive schemes (excluding shares)	<u>1</u>

During the period the highest paid director exercised share options and also received or was entitled to receive shares under a long term incentive scheme.

8 Income tax

Tax charged/(credited) in the income statement

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Current taxation		
UK corporation tax	7	-
Foreign tax	<u>74</u>	<u>-</u>
Tax expense in the income statement	<u>81</u>	<u>-</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	16 July 2014 to 31 December 2015 \$ m	6 June 2014 to 15 July 2014 \$ m
Profit before tax	<u>396</u>	<u>-</u>
Corporation tax at standard rate	80	-
Expenses not deductible for tax purposes	-	-
Adjustment for higher/(lower) tax rates on overseas earnings	<u>1</u>	<u>-</u>
Total tax charge	<u>81</u>	<u>-</u>

The rate of UK corporation tax that was enacted at the balance sheet date was 20%. The UK corporation tax rate was 21% from 1 April 2014 and 20% from 1 April 2015 and changes to 19% from 1 April 2017 and 18% from 1 April 2020.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

9 Investments in subsidiaries

Subsidiaries	\$ m
Cost or valuation	
At 16 July 2014	-
Additions	641
At 31 December 2015	641
Provision	
At 16 July 2014	-
Provision	-
At 31 December 2015	-
Carrying amount	
At 31 December 2015	641
At 15 July 2014	-

Details of undertakings

Details of undertakings in which the company directly holds more than 20% of the nominal value of any class of share capital are as follows.

Directly held undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2015	2014
Universal Studios International B.V.	Netherlands	Ordinary	100%	0%
NBCU Dutch Holding (Bermuda) Limited	Bermuda (UK)	Ordinary	100%	0%

Details of the investments in which the company indirectly holds 20% or more of the nominal value of any class of share capital are as follows.

Indirectly held undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2015	2014

Subsidiary undertakings

Universal International Television Services Ltd	United Kingdom	Ordinary	100%	0%
Universal Studios Television Distribution Spain S.L.U	Spain	Ordinary	100%	0%
NBCUniversal International Television Distribution Germany GmbH	Germany	Ordinary	100%	0%
NBCUniversal International Television Distribution Singapore Pte. Ltd	Singapore	Ordinary	100%	0%

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

NBCUniversal International Television Distribution South Africa Proprietary Ltd	South Africa	Ordinary	100%	0%
NBCUniversal Media Distribution Services Private Ltd	India	Ordinary	100%	0%
Universal Pictures International Ltd	United Kingdom	Ordinary	100%	0%
Universal Pictures International UK & Eire Ltd	United Kingdom	Ordinary	100%	0%
Universal Pictures International Australasia Pty Ltd	Australia	Ordinary	100%	0%
IFH-U Holding B.V.	Netherlands	Ordinary	100%	0%
Universal Pictures International Korea Company	Korea	Ordinary	100%	0%
Universal Pictures International Spain S.L.	Spain	Ordinary	100%	0%
Universal Pictures International Italy S.r.l.	Italy	Ordinary	100%	0%
Universal Pictures International Germany GmbH	Germany	Ordinary	100%	0%
Universal Pictures International Austria GmbH	Austria	Ordinary	100%	0%
Universal Pictures International Switzerland GmbH	Switzerland	Ordinary	100%	0%
Universal Pictures International France SAS	France	Ordinary	100%	0%
Universal Pictures Italia S.r.l.	Italy	Ordinary	100%	0%
Universal Pictures Germany GmbH	Germany	Ordinary	100%	0%
Universal Pictures Benelux N.V.	Belgium	Ordinary	100%	0%
Universal Pictures Video (France) SAS	France	Ordinary	100%	0%
Universal Pictures (Mexico) Services S. de R.L. de C.V.	Mexico	Ordinary	100%	0%
Unbroken PTY Ltd	Australia	Ordinary	100%	0%
Illumination Mac Guff SAS	France	Ordinary and Preferred	96.2%	0%
Universal Pictures Iberia, S.L.U.	Spain	Ordinary	100%	0%
Universal Pictures Switzerland GmbH	Switzerland	Ordinary	100%	0%
Universal Pictures International Entertainment Ltd	United Kingdom	Ordinary	100%	0%
NBCUniversal Entertainment Japan LLC	Japan	Ordinary	100%	0%
Universal Pictures Hamburg Film-und Fernsehvertrieb GmbH	Germany	Ordinary	100%	0%
Universal Pictures Productions GmbH	Germany	Ordinary	100%	0%
Universal Pictures Rus LLC	Russia	Ordinary	100%	0%

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

NBC Universal Global Networks Espana S.L.U.	Spain	Ordinary	100%	0%
NBC Universal Global Networks France SAS	France	Ordinary	100%	0%
Universal Networks International Sp. z.o.o.	Poland	Ordinary	100%	0%
Universal Pictures Subscription Television Limited	United Kingdom	Ordinary	100%	0%
NBC Universal Global Networks S.r.l.	Italy	Ordinary	100%	0%
NBC Universal Global Networks Management Limited	United Kingdom	Ordinary	100%	0%
Carnival Film & Television Limited	United Kingdom	Ordinary	100%	0%
Carnival (Charles Dickens) Limited	United Kingdom	Ordinary	100%	0%
Carnival Productions Limited	United Kingdom	Ordinary	100%	0%
Chocolate Media Limited	United Kingdom	Ordinary	100%	0%
Focus Features International Limited	United Kingdom	Ordinary	100%	0%
Monkey Kingdom Limited	United Kingdom	Ordinary	100%	0%
NBCUniversal International Networks Holdings Limited	United Kingdom	Ordinary	100%	0%
NBCUniversal Global Networks UK Limited	United Kingdom	Ordinary	100%	0%
NBCUniversal International Networks Acquisitions Limited	United Kingdom	Ordinary	100%	0%
NBCUniversal International Networks Limited	United Kingdom	Ordinary	100%	0%
NBCUniversal Global Networks Australia (Services) Pty Ltd	Australia	Ordinary	100%	0%
Sparrowhawk International (HK) Limited	Hong Kong	Ordinary	100%	0%
Sparrowhawk International Channels India Private Limited	India	Ordinary	100%	0%
Universal Media Studios International Limited	United Kingdom	Ordinary	100%	0%
Matchbox Pictures Pty Ltd	Australia	Ordinary	100%	0%
Matchbox Productions Pty Ltd	Australia	Ordinary	100%	0%
Ali's Wedding Productions Pty Ltd	Australia	Ordinary	100%	0%
Barracuda Productions Pty Ltd	Australia	Ordinary	100%	0%
Camp Matchbox Productions Pty Ltd	Australia	Ordinary	99%	0%
Cut Snake Productions Pty Ltd	Australia	Ordinary	99%	0%
Family Law Productions Pty Ltd	Australia	Ordinary	100%	0%

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

Gallipoli Pictures Pty Ltd	Australia	Ordinary	99%	0%
Hide & Seek Pictures Pty Ltd	Australia	Ordinary	100%	0%
Matchbox New Zealand Productions Limited	New Zealand	Ordinary	100%	0%
Matchbox Queensland Productions Pty Ltd	Australia	Ordinary	99%	0%
Maximum Choppage Productions Pty Ltd	Australia	Ordinary	99%	0%
Nowhere Boys 2 Productions Pty Ltd	Australia	Ordinary	99%	0%
Nowhere Boys Pictures Pty Ltd	Australia	Ordinary	100%	0%
Old School Pictures Pty Ltd	Australia	Ordinary	99%	0%
Perplexing New Reality Pty Ltd	Australia	Ordinary	99%	0%
Playground Productions Pty Ltd	Australia	Ordinary	99%	0%
Secret City Productions Pty Ltd	Australia	Ordinary	100%	0%
Seven Types Productions Pty Ltd	Australia	Ordinary	100%	0%
Matchbox UCP Productions Pty Ltd	Australia	Ordinary	99%	0%
UMSI Productions Limited	United Kingdom	Ordinary	100%	0%
Universal Pictures (UK) Limited	United Kingdom	Ordinary	100%	0%
Universal Pictures Home Entertainment Limited	United Kingdom	Ordinary	100%	0%
Universal Pictures Productions Limited	United Kingdom	Ordinary	100%	0%
Universal Pictures Entertainment Productions Limited	United Kingdom	Ordinary	100%	0%
Universal Pictures Visual Programming Limited	United Kingdom	Ordinary	100%	0%
Universal TV Limited	United Kingdom	Ordinary	100%	0%
MPD Films Limited	United Kingdom	Ordinary	100%	0%
Vision Video Limited	United Kingdom	Ordinary	100%	0%
Working Title Films Limited	United Kingdom	Ordinary	100%	0%
BJD Films Limited	United Kingdom	Ordinary	100%	0%
Drapsmann Films Limited	United Kingdom	Ordinary	100%	0%
Favela Films Limited	United Kingdom	Ordinary	100%	0%
Nacre Films Limited	United Kingdom	Ordinary	100%	0%
Producer Services Limited	United Kingdom	Ordinary	100%	0%
Speechless Features Limited	United Kingdom	Ordinary	100%	0%
Working Title Music Limited	United Kingdom	Ordinary	100%	0%
Working Title Theatre Productions Limited	United Kingdom	Ordinary	100%	0%
B.E Musical Limited	United Kingdom	Ordinary	100%	0%
Billy London Limited	United Kingdom	Ordinary	100%	0%

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

WT Film Productions Limited	United Kingdom	Ordinary	100%	0%
WT2 Limited	United Kingdom	Ordinary	100%	0%
Universal Pictures (Australasia) Pty. Ltd.	Australia	Ordinary	100%	0%
NBCU Global Networks LLC	Russia	Ordinary	100%	0%
NBCU Global Networks-2 LLC	Russia	Ordinary	100%	0%
Universal Pictures International LLC	Russia	Ordinary	100%	0%
Universal TV France SNC	France	Ordinary	100%	0%
NBCUniversal International Ltd	United Kingdom	Ordinary	100%	0%
Universal Pictures (Mexico) S. de R.L. de C.V.	Mexico	Ordinary	100%	0%

The Company and its direct and indirect investments are engaged in the international production, exploitation and distribution of motion pictures, television films and series, other audio-visual works and associated brands and operation of television broadcast channels.

10 Acquisitions

Effective 1 January 2015, the Company was engaged by its parent, Universal City Studios Productions LLLP, to undertake certain international distribution and licensing activities previously performed by Universal Studios International BV. All trading assets and liabilities in relation to the relevant distribution and licensing activities were sold by Universal Studios International BV to the Company at book value of \$(31,000,000). On the same date, the Company issued one share to its parent, Universal City Studios Productions LLLP at a premium of \$462,473 in return for the assets and liabilities of the previous owner of Universal Studios International BV. The total book value of transferred assets and liabilities amounted to \$675,000,000 which included the shares in Universal Studios International BV.

Also on 1 January 2015, the Company acquired 100% of the shares in NBCU Dutch Holding (Bermuda) Ltd, in return for issue of 1 share to its parent, Universal City Studios Productions LLLP at a premium of \$24,434.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

11 Debtors

	31 December 2015 \$ m	15 July 2014 \$ m
Trade debtors	734	-
Owed by group undertakings	397	-
Other receivables	15	-
Income tax asset	5	-
Amounts owed by participating interests < 1 year	19	-
Total current trade and other receivables	<u>1,170</u>	<u>-</u>

The trade receivables include an amount of \$85,000,000 (2014: Nil) not due within one year.

Interest will be received at market rate from group undertakings on balances which are not trade in nature. These balances are repayable on demand.

12 Creditors

	Note	31 December 2015 \$ m	15 July 2014 \$ m
Due within one year			
Trade creditors		1	-
VAT payable		14	-
Other current financial liabilities		1	-
Accruals and deferred income		77	-
Owed to group undertakings		677	-
Other current liabilities		13	-
		<u>783</u>	<u>-</u>
Due after one year			
Accruals and deferred income		41	-

There are no non-current creditor balances over 5 years.

Interest will be paid at market rate to group undertakings on balances which are not trade in nature. These balances are repayable on demand.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

13 Financial instruments

Categorisation of financial instruments

	31 December 2015 \$ m	15 July 2014 \$ m
Financial assets that are equity instruments measured at cost less impairment	641	-
Financial liabilities measured at fair value through profit or loss	(1)	-
	<u>640</u>	<u>-</u>

14 Share capital

Allotted, called up and fully paid shares

	31 December 2015		15 July 2014	
	No.	\$	No.	\$
Ordinary shares of \$1 each	3	3	1	1

New shares allotted

During the period 2 Ordinary shares having an aggregate nominal value of \$1 each were allotted for an aggregate consideration of \$486,909.

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to \$954,000 (2014 - \$Nil).

16 Related party transactions

The company has taken advantage of the exemption in FRS 102 Section 33 from disclosing transactions with other members of the group.

Universal Studios Limited

Notes to the Financial Statements for the Period from 16 July 2014 to 31 December 2015

17 Parent and ultimate parent undertaking

The company's immediate parent is Universal City Studios Productions LLLP, a limited liability limited partnership registered in United States of America.

The smallest group in which the results of the company was consolidated is that headed by NBCUniversal Media, LLC, a company incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that headed up by its ultimate parent undertaking, Comcast Corporation, a company incorporated in United States of America. The consolidated financial statements are available upon request from 30 Rockefeller Plaza, New York, NY 10112-0015, USA and the One Comcast Center, 1701 John F. Kennedy Boulevard, Philadelphia, PA 19103-2838, USA or at www.cmcsa.com respectively.

18 Transition to FRS 102

This is the first year the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. There were no transition adjustments identified or additional disclosures required in the year of transition.