

NGC Europe Limited

(Registered Number 07168489)

**Annual Report and Financial Statements
For the 66 week period ended 3 October 2020**



NGC Europe Limited

Contents

	Page(s)
Strategic report for the period ended 3 October 2020	3-6
Directors' report for the period ended 3 October 2020	7-10
Independent auditors' report	11-13
Income Statement for the period ended 3 October 2020	14
Statement of Financial Position as at 3 October 2020	15
Statement of Changes in Equity for the period ended 3 October 2020	16
Notes to the financial statements for the period ended 3 October 2020	17-33

NGC Europe Limited

Strategic report for the period ended 3 October 2020

The Directors present their Strategic Report for NGC Europe Limited ("the Company") for the 66 week period ended 3 October 2020 (prior financial year ended 30 June 2019).

Principal activities, business review and future developments

The Company operates and transmits non-fiction, scripted and documentary programming on such topics as natural history, adventure, science, exploration and culture through the National Geographic Channel, Nat Geo Wild, Nat Geo People as well as through On Demand services such as Disney+, Nat Geo+ and Nat Geo Now within its territories. The Company operates in the United Kingdom and the principal territories in which the Company broadcasts are Germany, France, Iberia, Italy, Scandinavia, Turkey, The Netherlands, Russia, Africa and Eastern Europe.

The Company's profit for the financial period was £57,361,000 (2019: £45,896,000) and its turnover was £246,614,000 (2019: £215,015,000). The Directors consider the results for the period and the financial condition of the Company at the end of the period to be satisfactory. The Company has not declared any dividends during the period (2019: £23,529,000).

The Company is a wholly owned subsidiary of NGC UK Holdings Company Limited.

The ultimate parent has decided to cease the operations of the Company. Subsequent to the date of the Statement of Financial Position during April 2021, the following steps were undertaken to wind down the Company:

- NGCE sold its ownership of content rights to NGC Network International group company at fair value of £42,848,000 resulting in a gain of £284,000;
- NGCE sold certain assets and liabilities attributable to its distribution business to TWDC at their book value of £14,600,000;
- NGCE received a dividend of £6,138,000 from NGC Network (Australia) Pty Ltd; and
- NGCE declared a dividend of £211,277,000 to NGC UK Holdings Company Limited by way of payment in cash of £210,000,000 and the transfer of a receivable due from NGC UK Holdings Company Limited the book value of which was £1,277,000.

As a result, these financial statements have been prepared on a basis other than going concern.

COVID-19 Pandemic

In December 2019 there was an outbreak of Covid-19, or coronavirus, which the World Health Organisation declared a pandemic on 11 March 2020. As the Company's principal business has now been transferred to The Walt Disney Company Limited, and its operations have wound down, going forward the Covid-19 Pandemic will have minimal impact on the Company.

Principal risks, uncertainties, and future outlook

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 pandemics

A decline in economic activity in the UK and across European markets in which we do business, including the impacts of pandemics can adversely affect demand for production services, thus reducing our revenues. Economic conditions can also impair the ability of those with whom we do business to satisfy their obligations to us. In addition, an increase in price levels generally could result in a shift in end customer demand away from the entertainment and consumer products we offer, which could also adversely affect our revenues and, at the same time, increase our costs. Changes in exchange rates for foreign currencies may reduce demand or reduce the value of revenue we receive from other markets.

NGC Europe Limited

Strategic report for the period ended 3 October 2020 (continued)

Principal risks, uncertainties and future outlook (continued)

(2) Changes in public and consumer tastes and preferences

Our business produces television programme content whose success depends substantially on end customer tastes and preferences that change in often unpredictable ways. 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 technology and in consumer consumption patterns

The media entertainment and digital streaming businesses in which we participate depend significantly on our ability to exploit new technologies to distinguish our products and services from those of our competitors. In addition, new technologies affect the demand for our products, the manner and markets in which our products are distributed to end customers and the time and manner in which consumers acquire and view some of our entertainment products.

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

Local tax incentives can be beneficial; however adverse changes to tax incentives could also have a negative impact to us e.g. from a competitive landscape perspective. As changes in tax incentives within film production are outside of our control, we must maintain a focus on possible changes.

(5) 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.

(6) Brexit

On 23 June 2016, the UK voted to leave the European Union and on 23 March 2017, the UK invoked Article 50(2) of the Treaty and notified the European Council of their intention to withdraw from the European Council. UK Parliament ratified the withdrawal agreement on 23 January 2020 and left the European Union ('EU') on 31 January 2020. A transition period then started during which the UK and EU negotiated their future relationship.

A new free trade agreement has been agreed between the UK and EU as of 11pm 31 December 2020. It covers free trade in UK and EU originating goods, however is silent on trading of services which is expected to be the case going forward. No changes to UK Corporate Taxation policy as a result of this agreement have been made at the time of signing these financial statements. Movement of people has been restricted into the UK from the EU, as EU-citizens wishing to come to the UK will require sponsorship and need to achieve a certain number of points. Regulatory affairs within the media and digital industries remain aligned, however it is unclear as to whether future divergence will take place.

The Directors have considered the impact of the UK leaving the financial, regulatory and legal environment and concluded that the arrangements in place as at the date of signing these financial statements have not led to any adverse impacts on the Company or its investments. Changes to future arrangements are difficult to predict and impacts on the economic conditions of the Company and its subsidiaries are uncertain.

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

In December 2017 Twenty-First Century Fox, Inc, the ultimate parent undertaking, entered into a Merger Agreement with The Walt Disney Company. This was subsequently approved by the shareholders of both entities in July 2018 and completed on 20 March 2019. Subsequent to the merger, the new ultimate parent has transferred the trading operations as well as certain assets and liabilities of the business to The Walt Disney Company Limited. Following the transfer of trade, the Company will be liquidated as soon as possible.

NGC Europe Limited

Strategic report for the period ended 3 October 2020 (continued)

Key Performance Indicators ('KPI')

The Company's Key Performance Indicators are as follows:

<i>Measure</i>	<i>Description</i>	<i>2020</i>	<i>2019</i>
Turnover (£'000)	Total sales for the financial period	246,614	215,015
Margin analysis (%)	Operating profit as a % of Turnover	31%	28%

Turnover shows a net increase from £215,015,000 in the prior year to £246,614,000 in the current financial period is due to a variety of reasons such as the longer accounting period, adverse impact of Covid-19 on the business of the entity and the intercompany operating fees introduced in FY20 (note 5).

Operating margin has increased from 28% in the prior year to 31% in the current financial period mainly due to cost savings measures in FY20 and higher programming spend in the prior year.

Events after the Balance Sheet Date

The Company's programming library was sold to NGC Network International, LLC on 18 March 2021. On 23 March 2021 the company declared a dividend of £211,277,000. The Company transferred its remaining trade and certain assets and liabilities to The Walt Disney Company Limited on 4 April 2021 and ceased trading as of that date.

Section 172 Statement

The Directors are aware of their duty under section 172 of the Companies Act 2006 to act in a way that they consider to be in good faith and would be most likely to promote the success of the Company for the benefit of the members as a whole. In doing so they have considered (amongst other matters) factors (a) to (f) listed below:

- a. the likely consequences of any decision in the long term,
- b. the interests of the Company's employees,
- c. the need to foster the Company's business relationships with suppliers, customers and others,
- d. the impact of the Company's operations on the community and the environment,
- e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the Company.

We have detailed below how each factor has been considered by the Board, impacted its decision making and policies and ensured wider stakeholder engagement.

a. The likely consequences of any decision in the long term

Our key objective is to provide high quality relevant content to our customers. We operate and transmit our television programmes to cable and broadcast networks and television stations, with whom we strive to maintain strong relationships. We have a significant library of television programmes and motion pictures, which were transferred to NGC Network International LLC on 18 March 2021. The Company also sold certain assets and liabilities attributable to its distribution business to TWDC on 4 April 2021 and we will continue to distribute our content worldwide to our customers through this entity. We aim to provide strong, inspiring and relevant content to our end customers, the viewing public, which also acknowledges their changing habits and preferences.

b. The interests of the Company's employees

There are no employees directly employed by NGC Europe Limited.

NGC Europe Limited

Strategic report for the period ended 3 October 2020 (continued)

Section 172 Statement (continued)

c. The need to foster the Company's business relationships with suppliers, customers and others

The Board is aware of the importance of the flow of TV rights from other companies within the group so that it can administer its contracts and provide licensees with the high quality content that they expect. We aim to provide high quality, value-for-money content to our customers and we are in regular contact with the production companies within the group to make sure this is delivered. This ensures we provide highly creative, high-quality content which satisfies the needs and preferences of our customers. All group affiliates within The Walt Disney Company act with integrity, to comply with the Company's code of ethics.

d. The impact of the Company's operations on the community and the environment

We are mindful on the impact we have on our community and environment. We make sure to provide responsible, creative and inspirational content. Throughout our creative and business processes, we are careful to consider the rights, maturity, and needs of our audiences. Our ultimate parent undertaking The Walt Disney Company has a number of initiatives in place to protect the environment and support the community.

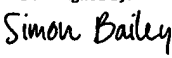
e. The desirability of the Company maintaining a reputation for high standards of business conduct

The standards of business conduct of our ultimate parent provide all group affiliates with the information, the resources and the tools necessary to conduct themselves ethically and in compliance with the law. We have many policies in place to ensure we are acting with honesty and integrity, examples of some of these policies are: anti-corruption policy, human rights, trade compliance. We want to preserve the excellent reputation we have earned through maintaining good governance and conducting ourselves in a responsible and ethical manner.

f. The need to act fairly as between members of the Company

We are a wholly owned subsidiary of NGC UK Holdings Company Limited whose Ultimate Parent Company is The Walt Disney Company. There is regular contact with senior management at The Walt Disney Company which includes updates on new deals or amendments to existing deals that have been completed.

On behalf of the Board on 29th July 2022

DocuSigned by:

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S Bailey
Director

Registered Office
Third Floor 10 Hammersmith Grove
London
W6 7AP
United Kingdom

NGC Europe Limited

Directors' report for the period ended 3 October 2020

The Directors present their report and audited financial statements for NGC Europe Limited ('the Company') for the 66 week period ended 3 October 2020 (prior financial year ended 30 June 2019).

Future Developments

As per the Strategic Report, the Company has sold its ownership of content rights to NGC Network International and also sold assets and liabilities relating to its distribution business to The Walt Disney Company Limited. Following the transfer of trade, the Company will be liquidated as soon as possible.

Basis of Preparation – Other Than Going Concern

As noted above in Future Developments, the company has sold its ownership of content rights to NGC Network International group company and transferred the trading operations as well as certain residual assets and liabilities of the business to The Walt Disney Company Limited. Following the transfer of trade, the Company will be liquidated as soon as possible. Consequently, the Directors have applied a basis other than going concern in preparing the audited financial statements of the Company for the period ended 3 October 2020 (prior financial year ended 30 June 2019).

The Directors have reviewed the impact of adopting a basis of preparation other than going concern and determined that tangible assets, investments, intangible should be disclosed as Current Assets for the current period and all creditors shown as Current Liabilities, no other adjustments are required to the amounts disclosed in the financial statements.

Financial risk management

The Company uses various financial instruments, which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below.

The main risks arising from the Company's financial instruments are credit risk, foreign exchange risk and liquidity risk. The Directors review and agree policies for managing each of these risks, and they are summarised 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) Foreign exchange risk

The Company may hold assets and liabilities denominated in foreign currencies. The Company has in place a foreign exchange policy, driven by the ultimate parent undertaking, The Walt Disney Company, and will reconsider the appropriateness of this policy should operations change in nature.

(3) Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy throughout the period has been to achieve this objective through management's day-to-day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

NGC Europe Limited

Directors' report for the period ended 3 October 2020 (continued)

Directors

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

D Londono

N Patel

S Bailey

M J Marsh (Appointed 21 January 2021)

J Koeppen (Resigned 5 November 2020)

C McLeod (Resigned 20 December 2019)

T Downing (Resigned 30 September 2019)

There were no third party indemnity provisions during the period ended 3 October 2020 (2019: Nil).

Streamlined Energy and Carbon Reporting (SECR) Disclosure

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and to some extent scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial year.

	Period ended 3 October 2020
Energy consumption used to calculate emissions (kWh)	91,008
Emissions from combustion of gas (Scope 1) tCO ₂ e	0
Emissions from combustion of fuel for transport purposes (Scope 1) tCO ₂ e	0
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO ₂ e	0
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	21
Total gross tCO ₂ e based on above	21
Intensity ratio (tCO ₂ e/full time equivalent)	0.46146

NGC Europe Limited

Directors' report for the period ended 3 October 2020 (continued)

Streamlined Energy and Carbon Reporting (SECR) Disclosure (continued)

Energy Efficiency Action Summary

Period to 3 October 2020

Due to the Covid-19 pandemic the offices have been empty during FY20 with only essential staff occupying the building, this has naturally reduced energy consumption.

Methodology Notes

Reporting Period	1 st of July 2019 – 3 rd of October 2020
Full Time Equivalent	45.98
Boundary (consolidation approach)	Operational approach
Alignment with financial reporting	SECR disclosure has been prepared in line with the Company's annual financial statements made up to 3 rd October 2020.
Reporting method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	DEFRA, 2020 for all emissions factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020
Calculation method	Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption
Other relevant information on calculation	The energy consumption is estimated data based on the floor area. This results in a likely overestimation because electricity was estimated for the site, as the invoices weren't available. The estimation was based on the dimensions and use of the site in question and the median electricity intensity of non-domestic buildings (ND-NEED 2021).

Following the recommendations of the SECR legislation and based on the nature of our business, full time equivalent (tCO₂e / full time equivalent) gives the best overview on our efficiency performance on a longer scale.

Statement of Directors' responsibilities in respect of the Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. 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).

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.

NGC Europe Limited

Directors' report for the period ended 3 October 2020 (continued)

Statement of Directors' responsibilities (continued)

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.

The Directors are also 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.

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 year.

On behalf of the Board on 29th July 2022

DocuSigned by:

Simon Bailey

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S Bailey
Director

Registered Office

Third Floor 10 Hammersmith Grove
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W6 7AP
United Kingdom

NGC Europe Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NGC EUROPE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, NGC Europe Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 3rd October 2020 and of its profit for the 66-week period then ended.
- 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 and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 3rd October 2020; the Income Statement and Statement of Changes in Equity for the 66 week 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3b to the financial statements which describes the Directors' reasons why the financial statements have been prepared on a basis other than going concern

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 on, 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.

NGC Europe Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NGC EUROPE LIMITED (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

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 3rd October 2020 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 Statement of Directors' responsibilities in respect of the Financial Statements, 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.

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.

NGC Europe Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NGC EUROPE LIMITED (continued)

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 received 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
29 July 2022

NGC Europe Limited

Income Statement

for the period ended 3 October 2020

		Period ended 3 October 2020	Year ended 30 June 2019
	Notes	£'000	£'000 (restated)
Turnover	5	246,614	215,015
Cost of sales		(129,586)	(117,348)
Gross profit		117,028	97,667
Administrative expenses		(41,431)	(38,340)
Operating profit	6	75,597	59,327
Interest payable and similar expense	7	(71)	-
Interest receivable and similar income	8	128	99
Profit before taxation		75,654	59,426
Tax on profit on ordinary activities	11	(18,293)	(13,530)
Profit for the financial period		57,361	45,896

For information on the restatement refer to Note 4.

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 17 to 33 form part of these financial statements.

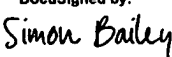
NGC Europe Limited

Statement of Financial Position

as at 3 October 2020

		3 October 2020	30 June 2019
	Notes	£'000	£'000
Fixed assets			
Goodwill	12	-	-
Tangible assets	13	-	51
Intangible assets	14	-	23,009
Investments	15	-	15
		-	23,075
Current assets			
Tangible assets	13	36	-
Intangible assets	14	62,657	45,916
Investments	15	15	-
Debtors: amounts falling due within one year	16	159,733	165,198
Cash at bank and in hand		78,695	44,772
		301,136	255,886
Creditors: amounts falling due within one year	17	(74,866)	(107,709)
Net current assets		226,270	148,177
Total assets less current liabilities		226,270	171,252
Creditors: amounts falling due after one year		-	(2,343)
Net assets		226,270	168,909
Capital and reserves			
Called up share capital	19	-	-
Profit and loss account		226,270	168,909
Total Shareholders' funds		226,270	168,909

The financial statements on pages 14 to 33 were approved by the Board on 22nd July 2022 and were signed on its behalf on 29th July 2022 by:

DocuSigned by:

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S Bailey
Director

NGC Europe Limited

Statement of Changes in Equity

for the period ended 3 October 2020

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance as at 1 July 2018	-	146,542	146,542
Profit for the year	-	45,896	45,896
Dividends paid	-	(23,529)	(23,529)
Balance as at 30 June 2019	-	168,909	168,909
Balance as at 1 July 2019	-	168,909	168,909
Profit for the financial period	-	57,361	57,361
Balance as at 3 October 2020	-	226,270	226,270

The Company has 2 (2019: 2) ordinary shares of £1 (2019: £1) each which is not shown here due to rounding. Please refer to note 19.

The notes on pages 17 to 33 form part of these financial statements.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020

1. General Information

NGC Europe Limited (the "Company") is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is Third Floor 10 Hammersmith Grove, Hammersmith, London W6 7AP. The Company is a wholly-owned subsidiary of NGC UK Holdings Company Limited and its Ultimate Parent Undertaking is The Walt Disney Company, incorporated in the United States of America. The consolidated financial statements of The Walt Disney Company are publically available.

The Company's principal activity is the operation and transmission of non-fiction, scripted and documentary programming on such topics as natural history, adventure, science, exploration and culture through various channels and On Demand services within its territories.

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 from preparing group financial statements as it is a wholly owned subsidiary of The Walt Disney Company and is included within that Company's consolidated financial statements.

2. Statement of Compliance

The financial statements of the Company 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 to all the periods presented, unless otherwise stated.

a) Basis of preparation

These financial statements are prepared on the basis other than going concern, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS102')'.

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.

The financial statements are presented in pounds sterling, which is both the presentation and functional currency of the Company. The amounts are rounded to the nearest thousands (£000) unless otherwise stated.

b) Going concern

The ultimate parent undertaking has decided to cease the operations of the Company and liquidate it as soon as possible. Consequently, the Directors have not applied the going concern basis of accounting in preparing the audited financial statements of the Company for the 66 week period ended 3 October 2020 (prior 12 month financial year ended 30 June 2019).

The Directors have reviewed the impact of adopting a basis of preparation other than going concern and determined that tangible assets, investments, intangible assets should be disclosed as Current Assets and all liabilities shown as Current Liabilities. No other adjustments are required to the amounts disclosed in the financial statements, the directors are satisfied with the carrying value of all assets. Given the Directors' intend to liquidate the Company as soon as possible these financial statements have been prepared on a basis other than going concern.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

3. Summary of significant accounting policies (continued)

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 wholly owned subsidiary of The Walt Disney Company, a company incorporated in the United States of America, and is included in its ultimate parent's consolidated financial statements 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 year 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.

d) Accounting reference date

In order to align its accounting reference date to its ultimate parent company, the Company changed its accounting reference date to 30 September each year. The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting year on the closest Saturday to 30 September each year. An accounting reference date of 3 October 2020 has been adopted for the current period. The financial period represents the 66 weeks ended 3 October 2020 (prior period was 12 months ended 30 June 2019).

e) Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling and rounded to thousands.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates 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.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

3. Summary of significant accounting policies (continued)

f) Turnover

All Turnover is stated net of value added tax and net of any commissions paid. Advertising revenue is recognised in the month of airing. Subscriber revenue is recognised on a straight-line basis over the period to which it relates. Intercompany revenue predominantly includes operating fees and revenues derived from advertising sales made to affiliate companies. Intercompany revenue is stated net of value added tax and is recognised in the month of airing and in the month the operating fee relates to. Other revenue which includes Syndication and Sub-licensing revenue is recognised in full following the license delivery date.

In certain instances, in the subscriber and advertising revenue streams the company uses agents in overseas markets to facilitate sales. The company assesses its revenue arrangements against the specific criteria mentioned in FRS 102 in order to determine if it is acting as principal or agent. The company's is determined to be the principal and the turnover represents the fair value of amounts receivable net of value added tax less commissions paid to the agent

Several factors are considered to determine whether the Company is an agent or principal, most notably where the Company is primarily responsible for providing the services, has credit risk and discretion in establishing the price of the services. Consideration is also given to whether the Company adds meaningful value to the vendor's product or service.

g) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the year. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other Comprehensive Income or directly in equity.

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 year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

4. Summary of significant accounting policies (continued)

h) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, and any provision for impairment. Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

IT equipment	–	over 3 years
Fixtures and fittings	–	over 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

i) Investments

Investments are shown at cost less provision for impairment.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Investments are classified as current as per the basis of preparation further outlined in note 3 b).

j) Goodwill

Goodwill acquired in a business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life, usually ten years.

k) Intangible assets

Intangible assets consist of programme rights and programme versioning costs.

Programme rights are stated at cost less accumulated amortisation. Programme rights, and the related liability, are recorded at cost when the programmes are available for transmission. Provisions are made for any programme rights which are in excess of the channel's requirements or which will not be shown for any reason. Contractual obligations for programme rights not yet available for transmission are not included in the cost of television programme rights, but are disclosed under financial commitments, authorised and contracted for, in note 20. Programme payments made in advance of the Company having the ability to transmit the related programmes are treated as prepayments.

Programme versioning costs are the cost of re-voicing or subtitling the programme into a relevant foreign language. These costs are amortised on a straight-line basis in line with the associated programme.

Programme costs are amortised as follows:

- Wholly-owned programme rights stock are amortised at the following rates:
Year 1: 60%
Year 2: 20%
Year 3: 20%
- Licenses are amortised on a straight line basis over the license period, not exceeding 36 months.

l) Cash at bank and in hand

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 3 October 2020 the Company held £Nil in bank overdrafts (2019: £Nil).

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

5. Summary of significant accounting policies (continued)

m) Critical accounting judgments and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period.

Intangible assets (J, E)

Management makes an estimation of the useful economic life and the rates of amortisation based upon the expected value generated from the programme asset. Management also has to apply judgement in the application of the useful lives for programme assets.

Basis of preparation (J)

The Directors have prepared these financial statements on a basis other than a going concern. When arriving at this judgement, the Directors reviewed the latest available information at the date of signing these financial statements. From reviewing this information there are plans to liquidate the entity as soon as possible and therefore supporting the judgement.

Impairment of debtors (E)

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the Company's debtors.

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

4. Prior year restatement of the presentation of the Income Statement

The prior year Income Statement has been corrected to disclose Cost of Sales as a separate line. Prior year figures have been restated to reflect this presentation resulting in a reduction in administrative expenses. There is no change in the prior year operating profit or profit before tax.

The resulting restated Income Statement as at 30 June 2019 is as follows:

	Year ended 30 June 2019	(Decrease) / Increase	Year ended 30 June 2019
	£'000 (as stated)	£'000	£'000 (restated)
Turnover	215,015	-	215,015
Cost of sales	-	(117,348)	(117,348)
Administrative expenses	(155,688)	117,348	(38,340)
Operating profit	59,327	-	59,327

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

5. Turnover

The entire turnover is attributable to the principal activities of the Company. The Company's turnover can be analysed as follows:

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
<i>By class of business:</i>		
Subscriber revenue	162,400	148,548
Advertising revenue	37,234	46,297
Intercompany operating revenue	32,160	-
Other revenue	14,820	20,170
	246,614	215,015

The split of turnover into geographical destination during the period was as follows:

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
United Kingdom	48,281	30,175
Rest of Europe	184,388	165,707
Rest of World	13,945	19,133
	246,614	215,015

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

6. Operating profit

Operating profit is stated after charging/(crediting):

		Period ended 3 October 2020	Year ended 30 June 2019
	Notes	£'000	£'000
Auditors' remuneration – audit services		179	144
Depreciation – tangible assets	13	23	48
Amortisation – intangible assets	14	76,640	63,083
Foreign exchange gain		(265)	(1,574)

7. Interest payable and similar expense

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
Interest payable and similar expense	71	-
	71	-

8. Interest receivable and similar income

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
Interest receivable and similar income	128	99
	128	99

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

9. Staff costs

While the Company does not formally employ any staff there are persons employed and paid by another undertaking who work solely for the Company. The staff costs and monthly average number of employees split by activity for these employees is disclosed below.

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
Wages and salaries	1,273	1,247
Social security costs	231	229
Other pension costs	132	142
	1,636	1,618

The average monthly number of employees who work solely for the Company during the period was made up as follows:

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
Administration	3	5
Broadcast and other	5	5
Sales and marketing	6	8
	14	18

10. Directors' emoluments

During the period, amounts paid to the Directors in respect of their qualifying services to the Company were £Nil (2019: £Nil). The Directors are remunerated by other group companies and it is not possible to determine the allocation of remuneration of the Directors related to the Company.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

11. Tax on profit

The tax charge/(credit) for taxation based upon the taxable profit for the period is comprised of:

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
Current tax:		
UK corporation tax on the profit for the period/year at 19% (2019: 19%)	14,470	12,962
Adjustment in respect of prior years	12	254
Double taxation relief	(294)	(822)
	14,188	12,394
Foreign tax suffered	4,118	1,112
Total current tax charge	18,306	13,506
Deferred tax:		
Current period/year	(4)	12
Prior year adjustment	-	13
Tax rate change adjustment	(9)	(1)
	(13)	24
Tax on profit	18,293	13,530

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

11. Tax on profit (continued)

Factors affecting the tax charge / credit for the period

The tax assessed for the period is higher (2019: higher) than the standard rate of corporation tax in the UK for the period ended 3 October 2020: 19% (2019: 19%). The differences are explained as follows:

	Period ended 3 October 2020	Year ended 30 June 2019
	£'000	£'000
Profit before tax	75,654	59,426
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	14,374	11,291
Effects of:		
Other expenses not deductible	92	1,682
Adjustments from previous year	12	267
Tax rate changes	(9)	(1)
Effects of overseas tax rates	3,824	291
Total tax for the period/year	18,293	13,530

Factors that may affect future tax charges

The Finance Act 2015 introduced provisions to reduce the main rate of corporation tax from 19% to 17% with effect from 1 April 2020. However, The Finance Act 2020 which received Royal Assent on 22 July 2020 has cancelled the planned reduction of corporation tax and therefore the main rate remains at 19%.

Additionally as announced, at the UK Budget legislation has been introduced to in the Finance Bill 2021 to set the Corporation Tax main rate at 25% for financials years beginning 1 April 2023.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

12. Goodwill

	Total £'000
Cost	
At 1 July 2019	356,439
Additions during the period	-
Disposals during the period	-
At 3 October 2020	356,439
Accumulated Amortization	
At 1 July 2019	(356,439)
Charge for the period	-
At 3 October 2020	(356,439)
Net carrying amount	
At 3 October 2020	-
At 30 June 2019	-

13. Tangible assets

	IT equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 July 2019	165	501	666
Additions during the period	8	-	8
At 3 October 2020	173	501	674
Accumulated Depreciation			
At 1 July 2019	(114)	(501)	(615)
Depreciation charge for the period	(23)	-	(23)
At 3 October 2020	(137)	(501)	(638)
Net book amount			
At 3 October 2020	36	-	36
At 30 June 2019	51	-	51

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

14. Intangible assets

	Total
	£'000
Cost	
At 1 July 2019	492,450
Additions during the period	71,778
Transfers during the period	(1,406)
Disposals during the period	(2,893)
At 3 October 2020	559,929
Accumulated Amortisation	
At 1 July 2019	423,525
Charged during the period	76,640
Disposals during the period	(2,893)
At 3 October 2020	497,272
Net Book Value	
At 3 October 2020	62,657
At 30 June 2019	68,925

of which:

	3 October 2020	30 June 2019
	£'000	£'000
Non-current assets	-	23,009
Current assets	62,657	45,916
Total intangible assets	62,657	68,925

Subsequent to the date of the Statement of Financial Position all intangible assets were sold to NGC Network International LLC in March 2021 at fair value. Please refer to note 22.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

15. Investments

	Total £'000
Cost	
At 1 July 2019	15
Additions during the period	-
Disposals during the period	-
At 3 October 2020	15
Net book amount	
At 3 October 2020	15
At 30 June 2019	15

Investments represent interests in the following wholly owned non-listed subsidiaries:

Company	Ownership	Country of incorporation	Proportion of shares held	Nature of business	Address
NGC Denmark Aps	Direct	Denmark	100%	NGC transmission	Kobmagergade 54.1 1150 Copenhagen
NGC Network (Australia) Pty Ltd	Direct	Australia	100%	NGC transmission	3-16 Yurong Street East Sydney NSW2010
NGC Denmark Norway Branch	Indirect	Norway	100%	NGC transmission	Karenslyst alle 2, 0214 Oslo

The above investments are held at cost less impairment.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

16. Debtors

Amounts falling due within one year

	3 October 2020	30 June 2019
	£'000	£'000
Trade debtors	19,181	22,223
Amounts owed by group undertakings	130,294	131,959
Deferred tax asset	91	-
Prepayments and accrued income	10,167	11,016
	159,733	165,198

Amounts owed by group undertaking are unsecured, repayable on demand and interest free.

The prepayment and accrued income balance above includes £110,495 amounts outstanding with group undertakings (2019 – £573,032).

17. Creditors: amounts falling due within one year

	3 October 2020	30 June 2019
	£'000	£'000
Trade creditors	-	912
Amounts owed to group undertakings	45,466	46,296
Corporation tax	1,955	8,725
Accruals and deferred income	5,589	15,520
Other creditors	21,856	36,256
	74,866	107,709

Amounts owed to group undertakings are expected to be settled within twelve months.

The other creditors balance above includes £17,750,000 (2019: £35,087,000) of balances relating to group undertakings.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

18. Financial instruments by category

	3 October 2020	30 June 2019
	£'000	£'000
<i>Financial assets measured at amortised cost:</i>		
Trade debtors	19,181	22,223
Amounts owed by group undertakings	130,294	131,959
Cash at bank and in hand	78,695	44,772
Total	228,170	198,954

Financial liabilities measured at amortised cost:

Trade creditors	-	912
Amounts owed to group undertakings	45,466	46,296
Other creditors	21,856	36,256
Amounts owed to group undertakings after more than one year	-	2,343
Total	67,322	85,807

19. Called up share capital

	3 October 2020		30 June 2019	
	No.	£	No.	£
<i>Alloted, called up and fully paid</i>				
Ordinary shares of £1 each	2	2	2	2

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

20. Financial Commitments

The Company had annual commitments as set out below:

	3 October 2020	30 June 2019
	£'000	£'000
Programme commitments, contracted for and authorised		
Within one year	-	15,330
Between two and five years	-	-
After five years	-	-
	-	15,330
Playout and Satellite Expenses		
Within one year	2,879	-
Between two and five years	2,481	-
After five years	127	-
	5,487	-

The above programme commitments are payable in US dollars. At 30 June 2019, these commitments have been translated at the period end rate of \$1.267.

As of 1 October 2020 the Cost Sharing Arrangement with NGC Network International LLC ("NGCI") came to an end and ownership rights for all programme commitments were held by NGCI. As a result of this termination, the Company doesn't have any contracted for and authorised programme commitments as of 3 October 2020.

During 2021 NGCE sold certain assets and liabilities attributable to its distribution business to TWDC including playout and satellite expenses, please refer to note 22.

NGC Europe Limited

Notes to the Financial Statements for the period ended 3 October 2020 (continued)

21. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary undertaking of NGC UK Holdings Company Ltd incorporated in the UK, whose principal place of business is at Third Floor 10 Hammersmith Grove, Hammersmith, London, W6 7AP.

Parent undertaking

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

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

The ultimate parent undertaking at 3 October 2020 was The Walt Disney Company, a company incorporated in the USA. Prior to 20 March 2019 the ultimate parent undertaking was Twenty-First Century Fox Inc., a company incorporated in the USA.

22. Post Balance Sheet Events

During 2021, following steps were undertaken to wind down the Company:

- NGCE sold its ownership of content rights to NGC Network International group company at fair value of £42,848,000 resulting in a gain of £284,000;
- NGCE sold certain assets and liabilities attributable to its distribution business to TWDC at their book value of £14,600,000;
- NGCE received a dividend of £6,138,000 from NGC Network (Australia) Pty Ltd; and
- NGCE declared a dividend of £211,277,000 to NGC UK Holdings Company Limited by way of payment in cash of £210,000,000 and the transfer of a receivable due from NGC UK Holdings Company Limited the book value of which was £1,277,000.

After the steps above, the Company will be liquidated as soon as possible.