

Company Registration No. 08404551 (England and Wales)

Assembled Productions II UK Ltd

**Annual report and financial statements
for the period ended 31 May 2015**

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Assembled Productions II UK Ltd

Company information

Directors

Marsha Reed
Nigel Cook
David Galluzzi

Secretary

Marsha Reed

Company number

08404551

Registered office

3 Queen Caroline Street
Hammersmith
London
W6 9PE

Independent auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

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Assembled Productions II UK Ltd

Strategic report

For the period ended 31 May 2015

The directors present their strategic report for the period ended 31 May 2015.

Review of the business

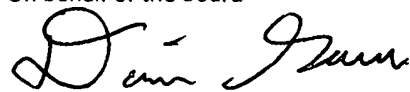
During the period the company was involved in the production of a film.

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through profits.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements.

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

On behalf of the board



.....
David Galluzzi

Director

24/2/16
.....

Assembled Productions II UK Ltd

Directors' report

For the period ended 31 May 2015

The directors present their report and financial statements for the period ended 31 May 2015.

Principal activities

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

Results and dividends

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

The directors have not recommended a dividend.

Future developments

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

Directors

The following directors have held office since 3 August 2014:

Marsha Reed

Nigel Cook

David Galluzzi

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Assembled Productions II UK Ltd

Directors' report (continued)
For the period ended 31 May 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
David Galluzzi

Director

24/2/16.....

Assembled Productions II UK Ltd

Independent auditors' report

To the members of Assembled Productions II UK Ltd

We have audited the financial statements of Assembled Productions II UK Ltd for the period ended 31 May 2015 set out on pages 6 to 12. 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).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Assembled Productions II UK Ltd

Independent auditors' report (continued)

To the members of Assembled Productions II UK Ltd

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



John Graydon (Senior Statutory Auditor)
for and on behalf of Saffery Champness

24/2/16
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Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

Assembled Productions II UK Ltd

Profit and loss account

For the period ended 31 May 2015

		2015	2014
	Notes	£	£
Turnover	2	57,116,699	128,701,553
Cost of sales		(62,731,488)	(154,938,123)
Gross loss		(5,614,789)	(26,236,570)
Administrative expenses		(25,553)	(24,530)
Loss on ordinary activities before taxation	3	(5,640,342)	(26,261,100)
Tax on loss on ordinary activities	5	5,652,027	26,286,125
Profit for the period	9	<u>11,685</u>	<u>25,025</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

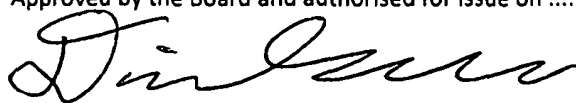
Assembled Productions II UK Ltd

**Balance sheet
As at 31 May 2015**

	Notes	£	2015 £	£	2014 £
Current assets					
Debtors	6	6,379,672		33,196,253	
Cash at bank and in hand		<u>3,246,270</u>		<u>3,124,788</u>	
		9,625,942		36,321,041	
Creditors: amounts falling due within one year	7	<u>(9,576,410)</u>		<u>(36,283,194)</u>	
Total assets less current liabilities			<u>49,532</u>		<u>37,847</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		<u>49,531</u>		<u>37,846</u>
Shareholders' funds	10		<u>49,532</u>		<u>37,847</u>

The notes on pages 8 to 12 form part of these financial statements.

Approved by the Board and authorised for issue on 24/2/16.....



David Galluzzi
Director

Company Registration No. 08404551

Notes to the financial statements
For the period ended 31 May 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 Foreign currency translation

Where a transaction denominated in a foreign currency is to be settled at a contracted rate of exchange, the transaction is recorded at the rate fixed under the terms of the contract. Where a trading transaction is covered by a related or matching contract, the rate of exchange specified in that contract is used. In cases where there is not a contracted rate then transactions are recorded at the rates of exchange ruling at the dates of the transactions or at an average rate for the period if the rates do not fluctuate significantly.

Monetary assets and liabilities are translated at period end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2015	2014
	£	£
United States of America	57,116,699	128,701,553
	<u>57,116,699</u>	<u>128,701,553</u>

Assembled Productions II UK Ltd

Notes to the financial statements (continued)
For the period ended 31 May 2015

3	Operating loss	2015	2014
		£	£
	Operating loss is stated after charging:		
	Fees payable to the company's auditor for the audit of the company's annual accounts	<u>25,553</u>	<u>24,530</u>

No director received any remuneration during the period (2014 : Nil)

4 **Employees**

Number of employees

The average monthly number of employees (including directors) during the period was:

	2015	2014
	Number	Number
Production staff	<u>19</u>	<u>421</u>

Employment costs

	2015	2014
	£	£
Wages and salaries	707,632	6,230,107
Social security costs	<u>87,700</u>	<u>738,300</u>
	<u>795,332</u>	<u>6,968,407</u>

Assembled Productions II UK Ltd

Notes to the financial statements (continued)
For the period ended 31 May 2015

5	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	(5,652,027)	(26,286,125)
	Total current tax	<u>(5,652,027)</u>	<u>(26,286,125)</u>
	Factors affecting the tax credit for the period		
	Loss on ordinary activities before taxation	<u>(5,640,342)</u>	<u>(26,261,100)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.80% (2014 - 21.15%)	<u>(1,173,191)</u>	<u>(5,554,223)</u>
	Effects of:		
	Losses surrendered for group relief	190,285	(99,401)
	Enhanced losses arising from the film tax credit	(4,895,202)	(21,086,441)
	Difference between the rate of corporation tax and the rate of relief under film tax credit	226,081	453,940
		<u>(4,478,836)</u>	<u>(20,731,902)</u>
	Current tax charge for the period	<u>(5,652,027)</u>	<u>(26,286,125)</u>
6	Debtors	2015	2014
		£	£
	Corporation tax	5,652,027	27,081,854
	Other debtors	727,645	4,127,914
	Prepayments and accrued income	-	1,986,485
		<u>6,379,672</u>	<u>33,196,253</u>

Assembled Productions II UK Ltd

Notes to the financial statements (continued)

For the period ended 31 May 2015

7 Creditors: amounts falling due within one year	2015 £	2014 £
Bank loans and overdrafts	-	855,541
Amounts owed to parent and fellow subsidiary undertakings	6,426,466	14,078,682
Other creditors	-	25,583
Accruals and deferred income	3,149,944	21,323,388
	<u>9,576,410</u>	<u>36,283,194</u>
8 Share capital	2015 £	2014 £
Allotted, called up and fully paid		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>
9 Statement of movements on profit and loss account		Profit and loss account £
Balance at 3 August 2014		37,846
Profit for the period		<u>11,685</u>
Balance at 31 May 2015		<u>49,531</u>
10 Reconciliation of movements in shareholders' funds	2015 £	2014 £
Profit for the financial period	11,685	25,025
Opening shareholders' funds	<u>37,847</u>	<u>12,822</u>
Closing shareholders' funds	<u>49,532</u>	<u>37,847</u>

11 Control

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

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, The Walt Disney Company, a company incorporated in the United States of America.

12 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.