

Company Registration No. 09227447 (England and Wales)

**Medici Productions Limited**

**Annual report and financial statements  
for the period ended 30 November 2017**



**Medici Productions Limited**

**Company information**

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | Marsha Reed<br>Russell Haywood<br>Paul Steinke<br>Nigel Cook            |
| <b>Company number</b>      | 09227447  |
| <b>Registered office</b>   | 3 Queen Caroline Street<br>Hammersmith<br>London<br>W6 9PE              |
| <b>Independent auditor</b> | Saffery Champness LLP<br>71 Queen Victoria Street<br>London<br>EC4V 4BE |

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## **Medici Productions Limited**

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## **Medici Productions Limited**

### **Directors' report**

**For the period ended 30 November 2017**

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The directors present their report and financial statements for the period ended 31 May 2016.

#### **Principal activities**

The principal activity of the company continued to be that of motion picture and video production.

#### **Directors**

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

Marsha Reed  
Russell Haywood  
Paul Steinke  
Nigel Cook

#### **Auditor**

Saffery Champness LLP have expressed their willingness to continue in office.

#### **Statement of directors' responsibilities**

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

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

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

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

**Medici Productions Limited**

**Directors' report (continued)**

**For the period ended 30 November 2017**

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**Statement of disclosure to auditor**

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Nigel Cook

Director

Date: 16 July 2018

## **Medici Productions Limited**

### **Independent auditor's report**

**To the member of Medici Productions Limited**

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We have audited the financial statements of Medici Productions Limited for the period ended 30 November 2017 set out on pages 5 to 11. 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 member, 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 member 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 member 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 Directors' Responsibilities Statement set out on pages 1 - 2, 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 30 November 2017 and of its result 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 matters prescribed by the Companies Act 2006**

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

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Medici Productions Limited

Independent auditor's report (continued)  
To the member of Medici Productions Limited

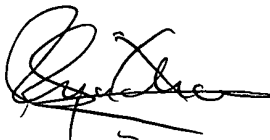
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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



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

17/07/2018

Chartered Accountants  
Statutory Auditors

71 Queen Victoria Street  
London  
EC4V 4BE

**Medici Productions Limited**

**Profit and loss account**

**For the period ended 30 November 2017**

|  | <b>Notes</b> | <b>Period<br/>ended<br/>30 November<br/>2017<br/>£</b> | <b>Period<br/>ended<br/>31 May<br/>2016<br/>£</b> |
|--|--------------|--|---|
| Turnover                               |              | 95,743,268   | 1,496,865   |
| Cost of sales                          |              | (119,621,460)  | (1,478,881)                                       |
| <b>Gross (loss)/profit</b>             |              | <b>(23,878,192)</b>                                    | <b>17,984</b>                                     |
| Administrative expenses                |              | 21,549   | (17,984)  |
| <b>Loss before taxation</b>            |              | <b>(23,856,643)</b>                                    | <b>-</b>  |
| Tax on loss                            |              | 23,881,455   | -   |
| <b>Profit for the financial period</b> |              | <b>24,812</b>  | <b>-</b>  |



Medici Productions Limited


Balance sheet

As at 30 November 2017

|   | Notes | £                   | 2017<br>£     | £                | 2016<br>£ |
|---|-------|---------------------|---------------|------------------|-----------|
| <b>Current assets</b>                                 |       |                     |               |                  |           |
| Debtors   | 4     | 56,352,583          |               | 58,155           |           |
| Cash at bank and in hand                              |       | 2,469,608           |               | 55,224           |           |
|   |       | <u>58,822,191</u>   |               | <u>113,379</u>   |           |
| <b>Creditors: amounts falling due within one year</b> | 5     | <u>(58,797,378)</u> |               | <u>(113,378)</u> |           |
| <b>Net current assets</b>                             |       |                     | <u>24,813</u> |                  | <u>1</u>  |
| <b>Capital and reserves</b>                           |       |                     |               |                  |           |
| Called up share capital                               | 6     |                     | 1             |                  | 1         |
| Profit and loss reserves                              |       |                     | <u>24,812</u> |                  | <u>-</u>  |
| <b>Total equity</b>                                   |       |                     | <u>24,813</u> |                  | <u>1</u>  |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16 July 2018 and are signed on its behalf by:

  
 .....  
 Nigel Cook  
 Director

Company Registration No. 09227447

## **Medici Productions Limited**

### **Notes to the financial statements**

**For the period ended 30 November 2017**

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#### **1 Accounting policies**

##### **Company information**

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

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

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

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

##### **1.2 Reporting period**

The financial statements are prepared for the period 1 June 2016 to 30 November 2017, 18 month period. The period was extended so that the year end corresponds to the completion of the production stage. This is a standard procedure within the industry. The comparative amounts presented in the financial statements (including the related notes) were prepared for the period 1 October 2015 to 31 May 2016, 8 months period. They are therefore not entirely comparable.

**Medici Productions Limited**

**Notes to the financial statements (continued)**  
**For the period ended 30 November 2017**

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**1 Accounting policies (continued)**

**1.3 Turnover**

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

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

**1.4 Cash at bank and in hand**

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

**1.5 Financial instruments**

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

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

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

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

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

**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.6 Equity instruments**

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

**1.7 Taxation**

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

***Current tax***

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

***Deferred tax***

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 those transactions or at an average rate for the period if the rates do not fluctuate significantly.

**Medicl Productions Limited**

**Notes to the financial statements (continued)**  
**For the period ended 30 November 2017**

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**1 Accounting policies (continued)**

**1.8 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.9 Foreign exchange**

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

**2 Auditor's remuneration**

|   | 2017   | 2016  |
|---|--------|-------|
|   | £      | £     |
| Fees payable to the company's auditor and associates: |        |       |
| For audit services                                    |        |       |
| Audit of the financial statements of the company      | 23,300 | 9,000 |

**3 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 148 (2016 - 0).

No directors received any remuneration in the current period (2016: £ nil).

**4 Debtors**

|                                      | 2017       | 2016   |
|--------------------------------------|------------|--------|
|                                      | £          | £      |
| Amounts falling due within one year: |            |        |
| Corporation tax recoverable          | 23,888,734 | -      |
| Amounts owed by group undertakings   | 28,764,536 | -      |
| Other debtors                        | 3,699,313  | 58,155 |
|                                      | 56,352,583 | 58,155 |

**Medici Productions Limited**

**Notes to the financial statements (continued)**  
**For the period ended 30 November 2017**

**5 Creditors: amounts falling due within one year**

|                                   | <b>2017</b>       | <b>2016</b>    |
|-----------------------------------|-------------------|----------------|
|                                   | <b>£</b>          | <b>£</b>       |
| Trade creditors                   | 1,570             | 319            |
| Amounts due to group undertakings | 56,219,769        | 67,177         |
| Other creditors                   | 2,576,039         | 45,882         |
|                                   | <u>58,797,378</u> | <u>113,378</u> |

**6 Called up share capital**

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

**7 Related party transactions**

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

**8 Parent company**

The company's immediate parent undertaking is Banner Productions Ltd, a company registered in England and Wales.

The directors consider the ultimate parent company to be The Walt Disney Company, a company incorporated in the United States of America.

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

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