

**Company Registration No. 10068015 (England and Wales)**

**Assembled Productions III UK Limited**

**Annual report and financial statements  
for the year ended 30 June 2021**

**Assembled Productions III UK Limited**

**Company information**

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|                  |                  |                          |
|------------------|------------------|--------------------------|
| <b>Directors</b> | David Galluzzi   |                          |
|                  | Nicholas Rush    | (Appointed 22 June 2021) |
|                  | Russell Haywood  | (Appointed 22 June 2021) |
|                  | Chakira Gavazzi  | (Appointed 22 June 2021) |
|                  | Tracy Bermingham | (Appointed 22 June 2021) |

**Company number** 10068015

**Registered office** 3 Queen Caroline Street  
Hammersmith  
London  
W6 9PE

**Independent auditor** Saffery Champness LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

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**Assembled Productions III UK Limited**

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**Assembled Productions III UK Limited**

**Strategic report**

**For the year ended 30 June 2021**

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The directors present the strategic report for the year ended 30 June 2021.

**Fair review of the business**

During the year the company was involved in the production of films. The company made a loss before tax of £195,184 (2020: £1,134,730) during the year and at the year end had net assets of £85,264 (2020: £74,129).

**Principal risks and uncertainties**

The directors have reviewed the risks and resultant uncertainties facing the company and consider the principal risks to be legislative changes and the state of the national economy.

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.

As such, the directors do not expect this to have a significant impact on the company going forwards in terms of its activity or its ability to continue as a going concern.

**Key performance indicators**

The directors consider the company's key performance indicator to be whether the motion picture is produced in line with the agreed budget. The motion picture was released during the prior period, the estimated final cost of the motion picture was within the agreed budget.

The directors consider the company's key non-financial performance indicators to be whether the company creates and delivers the feature film it has contracted to produce for general release in national and international cinema, and whether the film will be certified as British. This has been achieved, as the film has been completed and has been awarded a Final British Film Certificate.

**Covid-19 Pandemic**

Substantive information came to light in early 2020 regarding the virus now identified as COVID-19. Given that production on the film has now completed the directors do not expect this to have a significant impact on the company going forwards in terms of its activity or its ability to continue as a going concern.

On behalf of the board

Tracy Bermingham  
**Director**

28 March 2022

**Assembled Productions III UK Limited**

**Directors' report**

**For the year ended 30 June 2021**

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The directors present their annual report and financial statements for the year ended 30 June 2021.

**Principal activities**

The principal activity of the company during the year is that of motion picture and video production.

**Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

**Directors**

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

|                  |                          |
|------------------|--------------------------|
| Nigel Cook       | (Resigned 22 June 2021)  |
| David Galluzzi   |                          |
| Nicholas Rush    | (Appointed 22 June 2021) |
| Russell Haywood  | (Appointed 22 June 2021) |
| Chakira Gavazzi  | (Appointed 22 June 2021) |
| Tracy Bermingham | (Appointed 22 June 2021) |

**Auditor**

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

**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.

On behalf of the board

Tracy Bermingham

**Director**

28 March 2022

**Assembled Productions III UK Limited**

**Directors' responsibilities statement  
For the year ended 30 June 2021**

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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.

**Assembled Productions III UK Limited**

**Independent auditor's report**

**To the members of Assembled Productions III UK Limited**

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**Opinion**

We have audited the financial statements of Assembled Productions III UK Limited (the 'company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Assembled Productions III UK Limited**

### **Independent auditor's report (continued)**

**To the members of Assembled Productions III UK Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **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 strategic report and 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.



**Independent auditor's report (continued)**

**To the members of Assembled Productions III UK Limited**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

**Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation, specifically legislation relating to creative industry tax credits.

**Audit response to risks identified**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance. We have reviewed management's assessment of how the company, and production, comply with relevant laws and regulations governing access to the creative industry tax credits.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

**Assembled Productions III UK Limited**

**Independent auditor's report (continued)**

**To the members of Assembled Productions III UK Limited**

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There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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

**John Graydon (Senior Statutory Auditor)**  
**For and on behalf of Saffery Champness LLP**

30 March 2022

**Chartered Accountants**  
**Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE

**Assembled Productions III UK Limited**

**Statement of comprehensive income  
For the year ended 30 June 2021**

|                                      |              | <b>2021</b> | <b>2020</b>  |
|--------------------------------------|--------------|-------------|--------------|
|                                      | <b>Notes</b> | <b>£</b>    | <b>£</b>     |
| <b>Turnover</b>                      | <b>3</b>     | 3,836,472   | 27,022,312   |
| Cost of sales                        |              | (3,902,419) | (28,089,932) |
| <b>Gross loss</b>                    |              | (65,947)    | (1,067,620)  |
| Administrative expenses              |              | (129,237)   | (67,110)     |
| <b>Loss before taxation</b>          |              | (195,184)   | (1,134,730)  |
| Tax on loss                          | <b>6</b>     | 206,319     | 1,146,630    |
| <b>Profit for the financial year</b> |              | 11,135      | 11,900       |

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

**Assembled Productions III UK Limited**

**Balance sheet**

**As at 30 June 2021**

|                                                       |       |                    | 2021                 | 2020                 |
|-------------------------------------------------------|-------|--------------------|----------------------|----------------------|
|                                                       | Notes | £                  | £                    | £                    |
| <b>Current assets</b>                                 |       |                    |                      |                      |
| Debtors                                               | 7     | 6,341,176          | 64,423,005           |                      |
| Cash at bank and in hand                              |       | 62,055             | 142,784              |                      |
|                                                       |       | <u>6,403,231</u>   | <u>64,565,789</u>    |                      |
| <b>Creditors: amounts falling due within one year</b> | 8     | <u>(6,317,967)</u> | <u>(64,491,660)</u>  |                      |
| <b>Net current assets</b>                             |       |                    | 85,264               | 74,129               |
|                                                       |       |                    | <u><u>85,264</u></u> | <u><u>74,129</u></u> |
| <b>Capital and reserves</b>                           |       |                    |                      |                      |
| Called up share capital                               | 9     |                    | 1                    | 1                    |
| Profit and loss reserves                              |       |                    | 85,263               | 74,128               |
|                                                       |       |                    | <u>85,263</u>        | <u>74,128</u>        |
| <b>Total equity</b>                                   |       |                    | <u><u>85,264</u></u> | <u><u>74,129</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 28 March 2022 and are signed on its behalf by:

Tracy Bermingham  
**Director**

**Company Registration No. 10068015**

**Assembled Productions III UK Limited**

**Statement of changes in equity  
For the year ended 30 June 2021**

|                                                    | <b>Share capital</b> | <b>Profit and loss<br/>reserves</b> | <b>Total</b>  |
|----------------------------------------------------|----------------------|-------------------------------------|---------------|
|                                                    | <b>£</b>             | <b>£</b>                            | <b>£</b>      |
| <b>Balance at 1 July 2019</b>                      | 1                    | 62,228                              | 62,229        |
| <b>Year ended 30 June 2020:</b>                    |                      |                                     |               |
| Profit and total comprehensive income for the year | -                    | 11,900                              | 11,900        |
|                                                    | <u>1</u>             | <u>74,128</u>                       | <u>74,129</u> |
| <b>Balance at 30 June 2020</b>                     | 1                    | 74,128                              | 74,129        |
| <b>Year ended 30 June 2021:</b>                    |                      |                                     |               |
| Profit and total comprehensive income for the year | -                    | 11,135                              | 11,135        |
|                                                    | <u>1</u>             | <u>85,263</u>                       | <u>85,264</u> |
| <b>Balance at 30 June 2021</b>                     | <u>1</u>             | <u>85,263</u>                       | <u>85,264</u> |

## **Assembled Productions III UK Limited**

### **Notes to the financial statements For the year ended 30 June 2021**

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#### **1 Accounting policies**

##### **Company information**

Assembled Productions III UK 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.

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 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 and transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, 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 Accounting policies (continued)**

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

**1.4 Cash at bank and in hand**

Cash and cash equivalents 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.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**1 Accounting policies (continued)**

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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.

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



**1 Accounting policies (continued)**

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.6 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction 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 credit represents the sum of the tax currently recoverable 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***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.8 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions where practicable, else at the average rate over the period in which the transactions were incurred. 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.

Notes to the financial statements (continued)

For the year ended 30 June 2021

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**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

***Tax credit estimate***

The key accounting estimate within the financial statements for this company is the valuation of the film tax credit available. The estimate is based on the assessment of the value of qualifying expenditure as per HMRC legislations and guidance plus assessment of the qualification of the underlying production as eligible for the tax relief.

**3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

|                                                 | <b>2021</b>      | <b>2020</b>       |
|-------------------------------------------------|------------------|-------------------|
|                                                 | <b>£</b>         | <b>£</b>          |
| <b>Turnover analysed by class of business</b>   |                  |                   |
| Sale of rights                                  | 3,825,337        | 27,010,412        |
| Production service fee                          | 11,135           | 11,900            |
|                                                 | <u>3,836,472</u> | <u>27,022,312</u> |
|                                                 | <b>2021</b>      | <b>2020</b>       |
|                                                 | <b>£</b>         | <b>£</b>          |
| <b>Turnover analysed by geographical market</b> |                  |                   |
| United States of America                        | <u>3,836,472</u> | <u>27,022,312</u> |

**Assembled Productions III UK Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 June 2021**

**4 Operating loss**

|                                                                                                                      | <b>2021</b>       | <b>2020</b>       |
|----------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                                      | <b>£</b>          | <b>£</b>          |
| Operating loss for the year is stated after charging:                                                                |                   |                   |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | 109,237           | 32,110            |
| Fees payable to the company's auditor for the audit of the company's financial statements                            | 12,000            | 22,000            |
|                                                                                                                      | <u>          </u> | <u>          </u> |

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

|       | <b>2021</b>       | <b>2020</b>       |
|-------|-------------------|-------------------|
|       | <b>Number</b>     | <b>Number</b>     |
| Total | -                 | -                 |
|       | <u>          </u> | <u>          </u> |

**6 Taxation**

|                                                      | <b>2021</b>       | <b>2020</b>       |
|------------------------------------------------------|-------------------|-------------------|
|                                                      | <b>£</b>          | <b>£</b>          |
| <b>Current tax</b>                                   |                   |                   |
| UK corporation tax on profits for the current period | (206,319)         | (1,146,630)       |
|                                                      | <u>          </u> | <u>          </u> |

**Assembled Productions III UK Limited****Notes to the financial statements (continued)****For the year ended 30 June 2021****6 Taxation (continued)**

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

|                                                                                                      | <b>2021</b> | <b>2020</b> |
|------------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                      | <b>£</b>    | <b>£</b>    |
| Loss before taxation                                                                                 | (195,184)   | (1,134,730) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | (37,085)    | (215,599)   |
| Enhanced losses arising from the film tax credit                                                     | (156,476)   | (860,454)   |
| Difference between the rate of corporation tax and the rate of relief under the film tax credit      | (49,517)    | (275,191)   |
| Losses surrendered as group relief                                                                   | 36,759      | 204,614     |
| Taxation credit for the year                                                                         | (206,319)   | (1,146,630) |

**7 Debtors**

|                                      | <b>2021</b> | <b>2020</b> |
|--------------------------------------|-------------|-------------|
|                                      | <b>£</b>    | <b>£</b>    |
| Amounts falling due within one year: |             |             |
| Corporation tax recoverable          | 206,319     | 1,146,630   |
| Amounts owed by group undertakings   | 6,134,857   | 63,272,580  |
| Other debtors                        | -           | 3,795       |
|                                      | 6,341,176   | 64,423,005  |

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

|                                     | <b>2021</b> | <b>2020</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>£</b>    | <b>£</b>    |
| Amounts owed to parent undertakings | 5,625,490   | 62,401,098  |
| Amounts owed to group undertakings  | 672,477     | 2,055,552   |
| Accruals and deferred income        | 20,000      | 35,000      |
|                                     | 6,317,967   | 64,491,650  |

**Assembled Productions III UK Limited**

**Notes to the financial statements (continued)**

**For the year ended 30 June 2021**

**9 Share capital**

|                               | 2021              | 2020              | 2021              | 2020              |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|                               | Number            | Number            | £                 | £                 |
| <b>Ordinary share capital</b> |                   |                   |                   |                   |
| <b>Issued and fully paid</b>  |                   |                   |                   |                   |
| Ordinary of £1 each           | 1                 | 1                 | 1                 | 1                 |
|                               | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

**10 Charges**

A fixed and floating charge exists over the company's rights, all physical properties of every kind and nature of or relating to the films and all musical scores, lyrics, sound recordings, scripts and other works produced in connection with the films "Avengers: Infinity War Part 1 & 2" as well as all physical elements of the films and all other assets of the company. The charge is held by MVL Productions LLC.

**11 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.

**12 Ultimate controlling party**

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

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 the 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.