

Company Registration No. 11619821 (England and Wales)

E&E Industries (UK) Limited

**Annual report and financial statements
for the year ended 22 November 2021**

E&E Industries (UK) Limited

Company information

Directors	Rhonda Hjort	
	Russell Haywood	
	Chakira Gavazzi	(Appointed 22 June 2021)
	Tracy Bermingham	(Appointed 22 June 2021)
	Nicholas Rush	(Appointed 22 June 2021)

Company number	11619821
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Registered office	3 Queen Caroline Street Hammersmith London W6 9PE
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Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
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E&E Industries (UK) Limited

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E&E Industries (UK) Limited

Strategic report

For the year ended 22 November 2021

The directors present the strategic report for the year ended 22 November 2021.

Fair review of the business

During the period the company was involved in the production of television programmes. The company made a loss before tax of £30,404,505 (period ended 22 November 2020: £9,381,722) during the period and at the period end had net assets of £29,990 (2020: £9,798).

Principal risks and uncertainties

The directors have reviewed the risks and resultant uncertainties facing the company as being the ability to secure future contracts. However the ultimate parent company has provided sufficient assurance that it will support the company and provide the necessary finances for its future operations.

Key performance indicators

The directors consider the company's key financial performance indicator to be whether the television programme is completed in line with the production budget. At the period end, the final cost was forecasted to be within the adjusted production budget.

The directors consider the company's key non-financial performance indicator to be whether the television programme is certified as British. As of the date of signature, the company has received an interim British High End Television Certificate.

On behalf of the board

Tracy Bermingham

Director

23 November 2022

E&E Industries (UK) Limited

Directors' report

For the year ended 22 November 2021

The directors present their annual report and financial statements for the year ended 22 November 2021.

The previous accounting period covered the period from 1 November 2019 to 22 November 2020. Therefore the two accounting periods are not directly comparable.

Principal activities

The principal activity of the company was that of television programme production.

Results and dividends

The results for the year are set out on page 9.

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:

Rhonda Hjort

Russell Haywood

Ilene Aultman

(Resigned 22 June 2021)

Chakira Gavazzi

(Appointed 22 June 2021)

Tracy Bermingham

(Appointed 22 June 2021)

Nicholas Rush

(Appointed 22 June 2021)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

E&E Industries (UK) Limited

Directors' report (continued)
For the year ended 22 November 2021

Future developments

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

Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

23 November 2022

E&E Industries (UK) Limited

**Directors' responsibilities statement
For the year ended 22 November 2021**

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.

E&E Industries (UK) Limited

Independent auditor's report

To the member of E&E Industries (UK) Limited

Opinion

We have audited the financial statements of E&E Industries (UK) Limited (the 'company') for the year ended 22 November 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 22 November 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.

E&E Industries (UK) Limited

Independent auditor's report (continued)

To the member of E&E Industries (UK) Limited

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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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, 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.

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.

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.

E&E Industries (UK) Limited

Independent auditor's report (continued)

To the member of E&E Industries (UK) Limited

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 member 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 the member 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, for our audit work, for this report, or for the opinions we have formed.

Nigel Walde (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

5 December 2022

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

E&E Industries (UK) Limited

**Statement of comprehensive income
For the year ended 22 November 2021**

		Year ended 22 November 2021 £	Period ended 22 November 2020 £
	Notes		
Turnover	3	119,427,611	35,345,510
Cost of sales		(149,751,328)	(47,462,237)
Gross loss		(30,323,717)	(12,116,727)
Administrative expenses		(80,788)	48,135
Other operating income		-	2,686,870
Loss before taxation		(30,404,505)	(9,381,722)
Tax on loss	6	30,424,697	9,390,741
Profit for the financial year		20,192	9,019

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

E&E Industries (UK) Limited

Balance sheet

As at 22 November 2021

			2021	2020
	Notes	£	£	£
Current assets				
Debtors	8	48,015,271	14,027,311	
Cash at bank and in hand		1,498,515	3,070,546	
		<u>49,513,786</u>	<u>17,097,857</u>	
Creditors: amounts falling due within one year	9	<u>(49,483,796)</u>	<u>(17,088,059)</u>	
Net current assets			29,990	9,798
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Capital and reserves				
Called up share capital	11	1	1	
Profit and loss reserves		29,989	9,797	
		<u>29,990</u>	<u>9,798</u>	
Total equity			29,990	9,798
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 November 2022 and are signed on its behalf by:

Tracy Bermingham

Director

Company Registration No. 11619821

E&E Industries (UK) Limited

**Statement of changes in equity
For the year ended 22 November 2021**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 November 2019	1	778	779
Period ended 22 November 2020:			
Profit and total comprehensive income for the period	-	9,019	9,019
	<hr/>	<hr/>	<hr/>
Balance at 22 November 2020	1	9,797	9,798
Year ended 22 November 2021:			
Profit and total comprehensive income for the year	-	20,192	20,192
	<hr/>	<hr/>	<hr/>
Balance at 22 November 2021	1	29,989	29,990
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

E&E Industries (UK) Limited

Notes to the financial statements

For the year ended 22 November 2021

1 Accounting policies

Company information

E&E Industries (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 accounting reference date of the company is 22 November 2020. The accounts have been prepared for the period to 24 November 2020.

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.

The 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 Going concern

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Company is well placed to manage its business risk despite the current uncertain economic outlook resulting from the Covid-19 pandemic. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the financial statements.

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 for on-going services is determined by reference to the stage of completion.

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.

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.

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 Accounting policies (continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently 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.

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

The tax expense 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 year as the result of high end television tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying high end television development expenditure and exclude items of income or expense that are taxable or deductible in other years, 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.

1 Accounting policies (continued)

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 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 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.11 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.

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 high-end TV 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

	Year ended 22 November 2021 £	Period ended 22 November 2020 £
Turnover analysed by class of business		
Sale of rights	119,407,419	35,336,491
Production service fee	20,192	9,019
	<u>119,427,611</u>	<u>35,345,510</u>
	Year ended 22 November 2021 £	Period ended 22 November 2020 £
Turnover analysed by geographical market		
United States of America	<u>119,427,611</u>	<u>35,345,510</u>

E&E Industries (UK) Limited

Notes to the financial statements (continued)

For the year ended 22 November 2021

3 Turnover and other revenue (continued)

	Year ended 22 November 2021 £	Period ended 22 November 2020 £
Other revenue		
Insurance claim	-	1,497,566
Grants received	-	1,189,304
	<u>-</u>	<u>2,686,870</u>

4 Employees

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

	2021 Number	2020 Number
Production	356	135
	<u>356</u>	<u>135</u>

Their aggregate remuneration comprised:

	Year ended 22 November 2021 £	Period ended 22 November 2020 £
Wages and salaries	16,322,952	5,220,051
Social security costs	1,907,814	562,347
Pension costs	188,754	51,680
	<u>18,419,520</u>	<u>5,834,078</u>

E&E Industries (UK) Limited

Notes to the financial statements (continued)

For the year ended 22 November 2021

5 Operating loss

	Year ended 22 November 2021	Period ended 22 November 2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	54,788	(74,135)
Government grants	-	(1,189,304)
Fees payable to the company's auditor for the audit of the company's financial statements	22,000	22,000
	=====	=====

6 Taxation

	Year ended 22 November 2021	Period ended 22 November 2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(30,424,697)	(9,390,741)
	=====	=====

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:

	Year ended 22 November 2021	Period ended 22 November 2020
	£	£
Loss before taxation	(30,404,505)	(9,381,722)
	=====	=====
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(5,776,856)	(1,782,527)
Enhanced losses arising from the high end TV tax credit	(23,036,399)	(7,258,416)
Difference between the rate of corporation tax and the rate of relief under the high end TV tax credit	(7,301,927)	(2,253,778)
Losses carried forward	5,690,485	1,903,980
	=====	=====
Taxation credit for the year	(30,424,697)	(9,390,741)
	=====	=====

E&E Industries (UK) Limited

Notes to the financial statements (continued)

For the year ended 22 November 2021

7 Government grants

Government grants of £Nil (period ended 22 November 2020: £1,189,304) were received in the period and relate to the Coronavirus Retention Scheme in the UK. There are no unfulfilled conditions in relation to this grant.

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	39,815,438	9,390,741
Amounts owed by fellow subsidiary undertakings	2,533,215	90,490
Other debtors	2,988,276	1,987,156
Prepayments and accrued income	2,678,342	2,558,924
	<u>48,015,271</u>	<u>14,027,311</u>

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	313,085	2,959,507
Amounts owed to fellow subsidiary undertakings	43,844,751	8,524,249
Other creditors	103,027	-
Accruals and deferred income	5,222,933	5,604,303
	<u>49,483,796</u>	<u>17,088,059</u>

10 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>188,754</u>	<u>51,680</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

E&E Industries (UK) Limited

Notes to the financial statements (continued)

For the year ended 22 November 2021

11 Share capital

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

12 Related party transactions

The company was under control of LFL Productions Limited, a company incorporated in England and Wales, throughout the current period. LFL Productions Limited owns 100% of the issued shares of the company.

The company has taken the advantage of the exemption available under FRS 102 Section 33.1A whereby disclosure need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

13 Ultimate controlling party

The immediate parent undertaking is LFL Productions Limited, a company registered in England and Wales.

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. 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.