

Company Registration No. 11619821 (England and Wales)

E&E Industries (UK) Limited

**Annual report and financial statements
for the period ended 22 November 2020**

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

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

E&E Industries (UK) Limited

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E&E Industries (UK) Limited

Directors' report

For the period ended 22 November 2020

The directors present their annual report and financial statements for the period ended 22 November 2020.

The previous accounting period covered the period from 12 October 2018 to 31 October 2019. Therefore the two accounting periods are not directly comparable.

Principal activities

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

Directors

The directors who held office during the period 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)

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.

E&E Industries (UK) Limited

Directors' report (continued)

For the period ended 22 November 2020

Covid-19 Pandemic

Substantive information came to light in early 2020 regarding the virus now identified as COVID-19. Given the emergence and global spread of COVID-19, the decision was made by the parent company to halt production in March 2020. Production of the programme recommenced in August 2020.

An estimate of the financial effect cannot be determined but it is expected that the budgeted production costs for the programme will increase due to ongoing obligations and crew contracts.

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 given the impact of COVID-19 due to the financial support provided by the parent company. Thus, the directors consider that the going concern basis of accounting in preparing the financial statements remains appropriate.

Small companies exemption

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

On behalf of the board

Tracy Bermingham

Director

11 November 2021

E&E Industries (UK) Limited

Directors' responsibilities statement

For the period ended 22 November 2020

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 period ended 22 November 2020 which comprise the statement of comprehensive income, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report 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 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.

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 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.

E&E Industries (UK) Limited

Independent auditor's report (continued)

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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 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 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

22 November 2021

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

E&E Industries (UK) Limited

**Statement of comprehensive income
For the period ended 22 November 2020**

		Period ended 22 November 2020 £	Period ended 31 October 2019 £
	Notes		
Turnover		35,345,510	5,625,742
Cost of sales		(47,462,237)	(5,611,781)
Gross (loss)/profit		(12,116,727)	13,961
Administrative expenses		48,135	(13,000)
Other operating income		2,686,870	-
(Loss)/profit before taxation		(9,381,722)	961
Tax on (loss)/profit	4	9,390,741	(183)
Profit for the financial period		9,019	778

E&E Industries (UK) Limited**Balance sheet****As at 22 November 2020**

		22 November		31 October	
		2020		2019	
	Notes	£	£	£	£
Current assets					
Debtors	6	14,027,311		2,146,621	
Cash at bank and in hand		3,070,546		519,521	
		<u>17,097,857</u>		<u>2,666,142</u>	
Creditors: amounts falling due within one year	7	<u>(17,088,059)</u>		<u>(2,665,363)</u>	
Net current assets			9,798		779
Capital and reserves					
Called up share capital	8		1		1
Profit and loss reserves			<u>9,797</u>		<u>778</u>
Total equity			9,798		779

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 11 November 2021 and are signed on its behalf by:

Tracy Bermingham

Director

Company Registration No. 11619821

E&E Industries (UK) Limited

Notes to the financial statements

For the period ended 22 November 2020

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 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 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 Reporting period

The current period of accounts has been lengthened by the directors in order to align the accounting period appropriately with the stage of production of the programme.

1.4 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.

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

1.10 Retirement benefits

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

1.11 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.

1.12 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.

E&E Industries (UK) Limited

Notes to the financial statements (continued)

For the period ended 22 November 2020

2 Employees

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

	Period ended 22 November 2020 Number	Period ended 31 October 2019 Number
Total	-	3

3 Operating (loss)/profit

	Period ended 22 November 2020 £	Period ended 31 October 2019 £
Operating (loss)/profit for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	22,000	9,500

4 Taxation

	Period ended 22 November 2020 £	Period ended 31 October 2019 £
Current tax		
UK corporation tax on profits for the current period	(9,390,741)	183

E&E Industries (UK) Limited**Notes to the financial statements****For the period ended 22 November 2020****4 Taxation (continued)**

The actual (credit)/charge for the period can be reconciled to the expected (credit)/charge for the period based on the profit or loss and the standard rate of tax as follows:

	Period ended 22 November 2020 £	Period ended 31 October 2019 £
(Loss)/profit before taxation	(9,381,722)	961
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,782,527)	183
Enhanced losses arising from the high end TV tax credit	(7,258,416)	-
Difference between the rate of corporation tax and the rate of relief under the high end TV tax credit	(2,253,778)	-
Losses carried forward	1,903,980	-
Taxation (credit)/charge for the period	(9,390,741)	183

5 Government grants

Government grants of £1,189,304 (period ended 31 October 2019: £nil) 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.

6 Debtors

	22 November 2020 £	31 October 2019 £
Amounts falling due within one year:		
Corporation tax recoverable	9,390,741	-
Amounts owed by fellow subsidiary undertakings	90,490	3,532
Other debtors	4,546,080	2,143,089
	14,027,311	2,146,621

E&E Industries (UK) Limited

Notes to the financial statements (continued)

For the period ended 22 November 2020

7 Creditors: amounts falling due within one year

	22 November 2020	31 October 2019
	£	£
Trade creditors	2,959,507	49,704
Amounts owed to fellow subsidiary undertakings	8,524,249	2,480,544
Corporation tax	-	183
Other creditors	5,604,303	134,932
	<u>17,088,059</u>	<u>2,665,363</u>

8 Called up share capital

	22 November 2020	31 October 2019
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

9 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.

10 Parent company

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.

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

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.