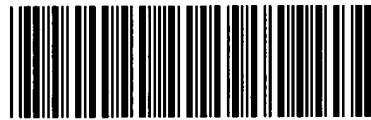


Company Registration No. 09722151 (England and Wales)

Stannum 50 Labs (UK) Limited

**Annual report and financial statements
for the period ended 10 February 2017**

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Stannum 50 Labs (UK) Limited

Company information

Directors	Ilene Aultman Russell Haywood Rhonda Hjort
Company number	09722151
Registered office	3 Queen Caroline Street Hammersmith London W6 9PE
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

Stannum 50 Labs (UK) Limited

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Stannum 50 Labs (UK) Limited

**Strategic report
For the period ended 10 February 2017**

The directors present the strategic report for the period ended 10 February 2017.

Fair review of the business

During the period the company was involved in the production of a film. The company incurred a loss before tax of £8,029,186 during the period and at the period end had net assets of £7,456.

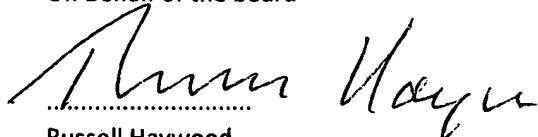
The directors consider the company's key performance indicator to be whether the motion picture is produced in line with the agreed budget. At the period end, the estimated final cost of the film was in line with its budgeted cost and the film continued to be funded by the financiers.

The directors consider the company's key non-financial performance indicator to be whether the company creates and delivers the feature film it has been contracted to produce for general release in national and international cinema.

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.

On behalf of the board



Russell Haywood

Director

05.04.2017

Stannum 50 Labs (UK) Limited

**Directors' report
For the period ended 10 February 2017**

The directors present their annual report and financial statements for the period ended 10 February 2017.

Principal activities

The company was incorporated on 8 August 2015 and began trading on the same day.

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

Directors

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

Ilene Aultman
Russell Haywood
Rhonda Hjort

Results and dividends

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

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

Auditors

Saffery Champness LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Stannum 50 Labs (UK) Limited

Directors' report (continued)

For the period ended 10 February 2017

Statement of directors' responsibilities

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

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

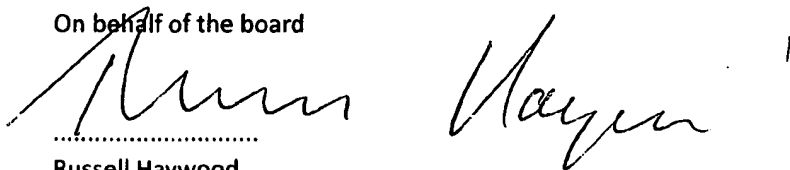
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

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

Statement of disclosure to auditors

So far as 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 auditors are 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 auditors are aware of that information.

On behalf of the board



.....
Russell Haywood

Director

05.04.2017

Stannum 50 Labs (UK) Limited

Independent auditors' report

To the members of Stannum 50 Labs (UK) Limited

We have audited the financial statements of Stannum 50 Labs (UK) Limited for the period ended 10 February 2017 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 10 February 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Stannum 50 Labs (UK) Limited

Independent auditors' report (continued)

To the members of Stannum 50 Labs (UK) Limited

Matters on which we are required to report by exception

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

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



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

13.04.2017

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Stannum 50 Labs (UK) Limited

**Statement of comprehensive income
For the period ended 10 February 2017**

	Notes	Period ended 10 February 2017 £
Turnover	3	35,490,725
Cost of sales		(42,997,957)
Gross loss		<u>(7,507,232)</u>
Administrative expenses		(521,954)
Loss before taxation		<u>(8,029,186)</u>
Taxation	7	8,036,641
Profit for the financial period		<u><u>7,455</u></u>

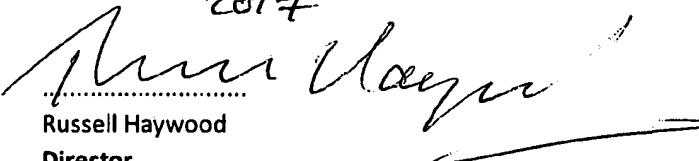
The income statement has been prepared on the basis that all operations are continuing operations.

Stannum 50 Labs (UK) Limited

Statement of financial position
As at 10 February 2017

	Notes	£	2017 £
Current assets			
Debtors	8	22,258,248	
Cash at bank and in hand		5,031,603	
		<u>27,289,851</u>	
Creditors: amounts falling due within one year	9	(27,282,395)	
Net current assets			<u>7,456</u>
Capital and reserves			
Called up share capital	10		1
Profit and loss reserves			7,455
Total equity			<u>7,456</u>

The financial statements were approved by the board of directors and authorised for issue on ~~5th APRIL~~ ²⁰¹⁷ and are signed on its behalf by:


.....
Russell Haywood
Director

Company Registration No. 09722151

Stannum 50 Labs (UK) Limited

**Statement of changes in equity
For the period ended 10 February 2017**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Period ended 10 February 2017:				
Profit and total comprehensive income for the period		-	7,455	7,455
Bonus issue of shares	10	1	-	1
		<u>1</u>	<u>7,455</u>	<u>7,456</u>
Balance at 10 February 2017		<u>1</u>	<u>7,455</u>	<u>7,456</u>

Stannum 50 Labs (UK) Limited

Notes to the financial statements For the period ended 10 February 2017

1 Accounting policies

Company information

Stannum 50 Labs (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 company has chosen to early adopt FRS 102 as the current period commences prior to 1 January 2015. There is no transition to FRS 102 due to this being the first period of accounts for the entity.

The accounting reference date of the company is 8 February 2017. This is the company's first period of accounts and is presented for a period longer than one year from 8 August 2015 to 10 February 2017. This was to coincide with the stage of completion of the project.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies (continued)

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

1.4 Cash and cash equivalents

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.

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.

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other 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. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

1.6 Equity instruments

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

1.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax 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 Foreign exchange

The company's functional currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the average exchange rate in the period.

At each period end foreign currency monetary items are translated using the closing rate of exchange.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Stannum 50 Labs (UK) Limited

**Notes to the financial statements (continued)
For the period ended 10 February 2017**

1 Accounting policies (continued)

1.10 Exemptions

Under FRS 102 (section 1), the company is exempt from the requirement to prepare a cash flow statement on the ground that its ultimate parent company (The Walt Disney Company) includes the company's cash flow in its own published consolidated statements.

The entity is a qualified entity and had also taken advantage of the financial instrument disclosures and exemptions and the exemption from disclosing key management compensation (other than directors emoluments) under FRS 102 (section 1.12).

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.

3 Turnover and other revenue

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

	2017
	£
Turnover	
Sales	35,490,725
	<u><u> </u></u>
Turnover analysed by geographical market	
	2017
	£
United States of America	35,490,725
	<u><u> </u></u>

Stannum 50 Labs (UK) Limited

**Notes to the financial statements (continued)
For the period ended 10 February 2017**

4	Operating loss	2017
	Operating loss for the period is stated after charging:	£
	Exchange losses	501,954
	Directors remuneration	-
		<u>501,954</u>
5	Auditors' remuneration	2017
	Fees payable to the company's auditors and associates:	£
	For audit services	
	Audit of the company's financial statements	14,000
		<u>14,000</u>
	For other services	
	All other non-audit services	6,000
		<u>6,000</u>
6	Employees	
	The average monthly number of persons (including directors) employed by the company during the period was:	
		2017
		Number
	Production	84
		<u>84</u>
	Their aggregate remuneration comprised:	
		2017
		£
	Wages and salaries	5,767,428
	Social security costs	523,515
		<u>6,290,943</u>

Stannum 50 Labs (UK) Limited

**Notes to the financial statements (continued)
For the period ended 10 February 2017**

7 Taxation

	2017
	£
Current tax	
UK corporation tax on profits for the current period	(8,036,641)

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

	2017
	£
Loss before taxation	(8,029,186)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00%	(1,605,837)
Enhanced losses arising from the film tax credit	(6,258,825)
Difference between the rate of corporation tax and the rate of relief under the film tax credit	(1,607,328)
Unutilised tax losses carried forward	1,435,349
Taxation for the period	(8,036,641)

8 Debtors

	2017
	£
Amounts falling due within one year:	
Corporation tax recoverable	8,036,641
Amounts due from fellow group undertakings	424,273
Other debtors	3,689,193
Prepayments and accrued income	10,108,141
	22,258,248

Stannum 50 Labs (UK) Limited

**Notes to the financial statements (continued)
For the period ended 10 February 2017**

9	Creditors: amounts falling due within one year	2017
		£
	Trade creditors	48,869
	Amounts due to group undertakings	21,694,277
	Other taxation and social security	226,920
	Other creditors	1,659,257
	Accruals and deferred income	3,653,072
		<hr/>
		27,282,395
		<hr/> <hr/>

10	Share capital	2017
		£
	Ordinary share capital	
	1 Ordinary share of £1 each	1
		<hr/> <hr/>

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 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.

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