

Company Registration No. 09214321 (England and Wales)

Coronation Bay Productions Limited

**Annual report and financial statements
for the period ended 28 February 2017**

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Coronation Bay Productions Limited

Company information

Directors	Russell Haywood Marsha Reed Paul Steinke Nigel Cook
Company number	09214321
Registered office	3 Queen Caroline Street Hammersmith London W6 9PE
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

Coronation Bay Productions Limited

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Coronation Bay Productions Limited

Strategic report

For the period ended 28 February 2017

The directors present the strategic report for the period ended 28 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 £6,195,957 (2015: £198,604) during the period and at the period end had net assets of £36,375 (2015: £22,490).

The directors have reviewed the risks and resultant uncertainties facing the business 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.

The directors consider the company's key financial performance indicator to be whether the film is completed in line with the production budget. At the period end the estimated total cost was in excess of the budget. However, the film continued to be funded by the financiers.

The directors consider the company's key non-financial performance indicator to be whether the film is certified as British. This is likely to be achieved, as the film has been awarded an Interim British Film Certificate, and the directors expect the film to be awarded a Final British Film Certificate when the film is complete.

On behalf of the board



Nigel Cook

Director

6/9/17

Coronation Bay Productions Limited

Directors' report

For the period ended 28 February 2017

The directors present their annual report and financial statements for the period ended 28 February 2017.

Principal activities

The principal activity of the company during the period was that of motion picture and video production.

Directors

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

Russell Haywood

Marsha Reed

Paul Steinke

Nigel Cook

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.

Future developments

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

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.

Directors' report (continued)

For the period ended 28 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:

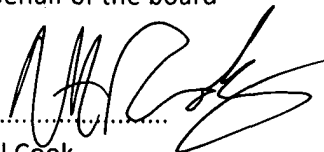
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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



Nigel Cook

Director

6/9/17

Coronation Bay Productions Limited

Independent auditors' report

To the members of Coronation Bay Productions Limited

We have audited the financial statements of Coronation Bay Productions Limited for the period ended 28 February 2017 set out on pages 6 to 19. 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 28 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.

Coronation Bay Productions Limited

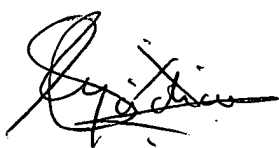
Independent auditors' report (continued)

To the members of Coronation Bay Productions 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.



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

7/9/17

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Coronation Bay Productions Limited**Income statement****For the period ended 28 February 2017**

		Period ended 28 February 2017	Period ended 30 September 2015 as restated
	Notes	£	£
Turnover	3	62,144,501	98,021,432
Cost of sales		(68,311,958)	(98,205,536)
Gross loss		(6,167,457)	(184,104)
Administrative expenses		(28,500)	(14,500)
Loss before taxation		(6,195,957)	(198,604)
Taxation	7	6,209,842	221,093
Profit for the financial period		13,885	22,489

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

Coronation Bay Productions Limited

**Statement of comprehensive income
For the period ended 28 February 2017**

	Period ended 28 February 2017	Period ended 30 September 2015 as restated
	£	£
Profit for the period	13,885	22,489
Other comprehensive income	-	-
Total comprehensive income for the period	13,885	22,489


Coronation Bay Productions Limited

Statement of financial position

As at 28 February 2017

			2017	2015
	Notes	£	£	as restated £
Current assets				
Debtors	8	27,043,556	36,688,921	
Cash at bank and in hand		548,860	4,596,595	
		<u>27,592,416</u>	<u>41,285,516</u>	
Creditors: amounts falling due within one year	9	<u>(27,556,041)</u>	<u>(41,263,026)</u>	
Net current assets			<u>36,375</u>	<u>22,490</u>
Capital and reserves				
Called up share capital	10		1	1
Profit and loss reserves			<u>36,374</u>	<u>22,489</u>
Total equity			<u>36,375</u>	<u>22,490</u>

The financial statements were approved by the board of directors and authorised for issue on 6/9/17 and are signed on its behalf by:



 Nigel Cook
 Director

Company Registration No. 09214321

Coronation Bay Productions Limited

Statement of changes in equity

For the period ended 28 February 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 11 September 2014		-	-	-
Period ended 30 September 2015:				
Profit and total comprehensive income for the period		-	22,489	22,489
Issue of share capital	10	1	-	1
Balance at 30 September 2015		1	22,489	22,490
Period ended 28 February 2017:				
Profit and total comprehensive income for the period		-	13,885	13,885
Balance at 28 February 2017		1	36,374	36,375

1 Accounting policies

Company information

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

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 £.

These financial statements for the period ended 28 February 2017 are the first financial statements of Coronation Bay Productions Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 11 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel, and disclosure of transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

In the period, the company changed its financial reporting date from 30 September 2016 to 28 February 2017 in order to align with the stage of completion of the production. The current period therefore covers 17 months, meaning that comparative amounts shown in the financial statements are not entirely comparable.

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 Accounting policies (continued)

1.3 Turnover

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

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.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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.

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

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

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

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 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 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 film 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 film 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 date.

1.7 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.

1.8 Foreign exchange

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

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 £	2015 £
Turnover		
Sale of film rights	62,130,616	97,998,943
Production services fee	13,885	22,489
	<u>62,144,501</u>	<u>98,021,432</u>

Turnover analysed by geographical market

	2017 £	2015 £
United States of America	<u>62,144,501</u>	<u>98,021,432</u>

Coronation Bay Productions Limited

Notes to the financial statements (continued)

For the period ended 28 February 2017

4 Employees

The average monthly number of persons (not including directors) employed by the company during the period was:

	2017	2015
	Number	Number
Production staff	2	-
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017	2015
	£	£
Wages and salaries	39,217	-
Social security costs	3,990	-
	<u> </u>	<u> </u>
	43,207	-
	<u> </u>	<u> </u>

5 Directors' remuneration

No director received any remuneration in either the current or prior period.

6 Auditors' remuneration

	2017	2015
	£	£
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the company's financial statements	24,650	12,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	1,850	1,500
All other non-audit services	2,000	1,000
	<u> </u>	<u> </u>
	3,850	2,500
	<u> </u>	<u> </u>

Coronation Bay Productions Limited

Notes to the financial statements (continued)

For the period ended 28 February 2017

7 Taxation

	2017	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	(6,209,842)	(221,093)

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	2015
	£	£
Loss before taxation	(6,195,957)	(198,604)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.52%)	(1,239,191)	(40,754)
Enhanced losses arising from the film tax credit	(4,106,259)	(1,045,570)
Difference between the rate of corporation tax and the rate of relief under the film tax credit	(1,241,969)	(39,620)
Losses carried forward	377,577	904,851
Taxation for the period	(6,209,842)	(221,093)

8 Debtors

	2017	2015
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	6,209,842	221,093
Amount due from fellow group undertakings	20,252,687	34,466,251
Other debtors	549,326	432,919
Prepayments and accrued income	31,701	1,568,658
	27,043,556	36,688,921

Coronation Bay Productions Limited

Notes to the financial statements (continued)

For the period ended 28 February 2017

9 Creditors: amounts falling due within one year

	2017	2015
	£	£
Amounts due to group undertakings	24,521,192	40,513,415
Other creditors	-	64,536
Accruals and deferred income	3,034,849	685,075
	<u>27,556,041</u>	<u>41,263,026</u>

10 Share capital

	2017	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

11 Related party transactions

The company has taken 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.

12 Controlling party

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

The directors regard The Walt Disney Company, a company registered in the United States of America, as the ultimate parent company.

The largest group for which accounts are prepared and of which the company is a member is The Walt Disney Company. Copies of group accounts 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.

13 Reconciliations on adoption of FRS 102**Reconciliation of equity**

	At 30 September 2015		
	Previous UK GAAP	Effect of transition	FRS 102
Current assets			
Debtors	42,559,889	(5,870,968)	36,688,921
Bank and cash	4,595,805	790	4,596,595
	<u>47,155,694</u>	<u>(5,870,178)</u>	<u>41,285,516</u>
Creditors due within one year			
Other creditors	(47,133,204)	5,870,178	(41,263,026)
	<u>(47,133,204)</u>	<u>5,870,178</u>	<u>(41,263,026)</u>
Net current assets	<u>22,490</u>	<u>-</u>	<u>22,490</u>
Total assets less current liabilities	<u>22,490</u>	<u>-</u>	<u>22,490</u>
Net assets	<u>22,490</u>	<u>-</u>	<u>22,490</u>
Capital and reserves			
Share capital	1	-	1
Profit and loss	22,489	-	22,489
Total equity	<u>22,490</u>	<u>-</u>	<u>22,490</u>

Coronation Bay Productions Limited

Notes to the financial statements (continued)

For the period ended 28 February 2017

13 Reconciliations on adoption of FRS 102 (continued)

Reconciliation of profit for the financial period

	Period ended 30 September 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover	100,122,317	(2,100,885)	98,021,432
Cost of sales	(100,306,421)	2,100,885	(98,205,536)
Gross loss	(184,104)	-	(184,104)
Administrative expenses	(14,500)	-	(14,500)
Taxation	221,093	-	221,093
Profit for the financial period	22,489	-	22,489