

**Disney Networks Group (UK) Limited**

**(Registered Number 04467859)**

**Annual Report and Financial Statements  
For the period ended 2 October 2021**



## **Disney Networks Group (UK) Limited**

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## Disney Networks Group (UK) Limited

### Strategic report for the period ended 2 October 2021

The Directors present their Strategic report for Disney Networks Group (UK) Limited (the "Company") for the period ended 2 October 2021 (prior 66-week period ended 3 October 2020).

#### Principal activities, business review and future developments

The Company's principal activity are operating, developing and distributing entertainment television channels, namely: Fox and Fox HD.

On 1 June 2021, the Company changed its name from Fox Networks Group (UK) Limited to Disney Networks Group (UK) Limited.

The Company continued to operate and distribute entertainment television channels in markets including the UK, Russia, Poland, Greece, Cyprus and Malta. On 30 June 2021, the Directors made the decision to close The Fox Channel UK. The UK channel business accounted for 43% of the total revenue of the Company for the period ended 2 October 2021. In September 2022, The Walt Disney Company announced that it would exit all business operations from Russia, refer to "Events after the balance sheet date" below for further information.

Turnover decreased to £66,571,000 (2020: £100,391,000) in the current financial period due to a longer 15-month financial prior period and the closure of The Fox UK Channel on 30 June 2021. The Company's profit for the financial period is £7,885,000 (2020: loss £20,293,000, after restatement of the prior period. See note 4). The increased profit is driven by a reduction in amortisation costs and programming impairment charges totalling £24,358,000 (2020: £69,433,000) and a decrease in administrative expenses to £18,059,000 (2020: £23,722,000) due to a longer 15-month financial prior period. Due to exit of business operations from Russia in September 2022, the Company recognised an impairment for programming assets and a provision for programming financial commitments totalling £3,325,000. The Directors do not recommend that a dividend be paid for the year ended 2 October 2021 (2020: £5,000,000). No dividends were received by the Company during the period (2020: £nil).

The ultimate parent undertaking has decided to integrate the operations of the Company into another Group Company, The Walt Disney Company Limited (TWDC). Once the required integration steps are completed, including the transfer of the trade and assets of the Company to TWDC, it is the intention of the Directors to wind up and liquidate the entity. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described on page 16.

Given the above decision, the Directors have reviewed the impact of adopting a basis other than going concern and determined that tangible fixed assets of £283,000 have no remaining useful life and have been written off in the period. In addition, intangible assets are all disclosed as current assets at period end. The Directors have also considered the lease commitments of the entity (see Note 20) and concluded that TWDC will assume the commitment and that prior to that date the costs of the lease will be recharged to the entity and as such no adjustments were required. The Directors also considered the programme commitments, all useable content is expected to transfer to TWDC with no adjustments required, however, certain programme commitments related to assets that have been impaired in the following year, as such onerous contract provisions have been recorded as at 2 October 2021. No other adjustments are required to the amounts disclosed in the financial statements and the Directors are satisfied with the carrying value of all remaining assets and liabilities.

#### COVID-19 Pandemic

In December 2019 there was an outbreak of Covid-19 which the World Health Organisation declared a pandemic on 11 March 2020. The impact of the novel coronavirus ("COVID-19") and measures to prevent its spread have affected our businesses in a number of ways. We experienced an adverse impact on advertising revenues which has since recovered. There was some disruption in creation and availability of content that we rely on due to shutting down of production of most film and television content, but at the time of signing these financial statements, production has returned to normal levels as government restrictions have been reduced across all markets.

## Disney Networks Group (UK) Limited

### Strategic report for the period ended 2 October 2021 (continued)

#### Events after the balance sheet date

Due to the ongoing conflict between Russia and Ukraine, on 10 March 2022, The Walt Disney Company announced that it was pausing all business operations in Russia. The decision was made to exit all business operations in Russia in September 2022. Contractual notices have been issued to end contracts for the broadcast of *The Fox Channel* in Russia. The Russian business accounted for 12% of the total revenue of the Company for the period ended 2 October 2021.

On 28 September 2022 the Company provided a revolving credit facility to Disney Enterprises Inc. (U.S.) for an aggregate principal amount of £51,104,000 (\$55,000,000) with a repayment date of 29 September 2023 and an interest rate which equals the 6-months Secured Overnight Financing Rate ("SOFR") Term + 10 basis points.

#### Principal risks and uncertainties

A wide range of factors could materially affect future developments and performance. The most significant factors affecting our operations include the following:

*(1) Changes in UK and Europe wide economic and political conditions, including the impact of pandemics*

A decline in economic activity and changes in political conditions in the UK and across European markets in which we do business, such as recession, economic downturn, inflationary conditions, or the impact of pandemics, can adversely affect demand for any of our businesses, thus reducing our revenues. Past declines in economic conditions reduced prices for advertising on our television channels. Economic, political conditions and the impact of pandemics can also impair the ability of those with whom we do business to satisfy their obligations to us. In addition, an increase in price levels generally, as well as actions to reduce inflation, including raising interest rates, could result in a reduction of discretionary consumer spend or a shift in consumer demand away from the services we offer, which could also adversely affect our revenues and, at the same time, increase our costs. Changes in exchange rates for foreign currencies may reduce demand or reduce the value of revenue we receive from other markets.

*(2) Regulatory environment*

Our operations are subject to the laws and regulations of the jurisdictions in which they operate. Laws and regulations can differ in significant respects across jurisdictions and these differences can affect our ability to react to changes in our business and our ability to enforce rights. It may require the Company to spend additional amounts to comply with the regulations, or may restrict the Company's ability to offer services in ways that are profitable. There is an increased focus on the environment and climate change. Any actions of the Company that would cause an adverse impact will damage the brand and therefore the Company needs to continue to minimise its impact on the environment through utilising new technologies, increasing efficiency and minimising waste

*(3) Protection of electronically stored data is costly and if our data is compromised in spite of this protection, we may incur additional costs, lost opportunities and damage to our reputation.*

We maintain information necessary to conduct our business, including confidential and proprietary information, in digital form. Data maintained in digital form is subject to the risk of unauthorised access, modification and exfiltration. We develop and maintain information security systems in an effort to prevent this however, despite our efforts, unauthorised access, modification and exfiltration of data cannot be eliminated entirely, and the risks associated with a potentially material incident remain. If our information security systems or data are compromised in a material way, our ability to conduct our business may be impaired, we may lose profitable opportunities or the value of those opportunities may be diminished.

*(4) Damage to our reputation or brands may negatively impact our Company*

Our reputation and globally recognisable brands are integral to the success of our business. Because our brands engage consumers across our businesses, damage to our reputation or brands in one business may have an impact on our other brands.

## Disney Networks Group (UK) Limited

### Strategic report for the period ended 2 October 2021 (continued)

#### Key performance indicators

The Company's Key Performance Indicators are as follows:

<b>Measure</b>	<b>Description</b>	<b>2021</b>	<b>2020</b>
Turnover (£'000)	Total sales for the financial period	66,571	100,391

Turnover decreased to £66,571,000 (2020: £100,391,000) in current financial period due to a longer 15-month financial prior period and closure of The Fox UK Channel on 30 June 2021.

#### Section 172 Statement

The Directors are aware of their duty under section 172 of the Companies Act 2006 to act in a way that they consider to be in good faith and would be most likely to promote the success of the Company for the benefit of the members as a whole. As such they have considered (amongst other matters) factors (a) to (f) listed below:

- a. the likely consequences of any decision in the long term,
- b. the interests of the Company's employees,
- c. the need to foster the Company's business relationships with suppliers, customers and others,
- d. the impact of the Company's operations on the community and the environment,
- e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the Company.

We have detailed below how each factor has been considered by the Board, impacted its' decision making and policies and ensured wider stakeholder engagement.

#### **a. The likely consequences of any decision in the long term**

The long-term plan is to integrate the operations of the Company into another Group Company, The Walt Disney Company Limited (TWDC). Once the required integration steps are completed, including the transfer of the trade and assets of the Company to TWDC, it is the intention of the Directors to wind up and liquidate the entity. Our key objective continues to provide high quality relevant content to our customers. We operate and transmit our television programmes to cable and broadcast networks and television stations, with whom we strive to maintain strong relationships. We have a significant library of television programmes and motion pictures and will continue to distribute these worldwide to our customers. We aim to provide strong, inspiring and relevant content to our end customers, the viewing public, which also acknowledges their changing habits and preferences.

#### **b. The interests of the Company's employees**

During the period, 1 (2020: on average 115) employee was directly employed by Disney Networks Group (UK) Limited. In April 2020, all other employees of the Company were transferred to The Walt Disney Company Limited while all employee benefits were respected.

#### **c. The need to foster the Company's business relationships with suppliers, customers and others**

The Directors are aware of the importance of the flow of TV rights from other Companies within the group so that it can administer its contracts and provide licensees with the high quality content that they expect. We aim to provide high quality, value-for-money content to our customers and we are in regular contact with the production Companies within the group to make sure this is delivered. This ensures we provide highly creative, high-quality content which satisfies the needs and preferences of our customers. All group affiliates within The Walt Disney Company act with integrity, to comply with the Company's code of ethics.

#### **d. The impact of the Company's operations on the community and the environment**

We are mindful on the impact we have on our community and environment. We make sure to provide responsible, creative and inspirational content. Throughout our creative and business processes, we are careful to consider the rights, maturity, and needs of our audiences. Our ultimate parent undertaking The Walt Disney Company has a number of initiatives in place to protect the environment and support the community.

## Disney Networks Group (UK) Limited

### Strategic report for the period ended 2 October 2021 (continued)

#### Section 172 Statement (continued)


##### *e. The desirability of the Company maintaining a reputation for high standards of business conduct*

The standards of business conduct of our ultimate parent provide all group affiliates with the information, the resources and the tools necessary to conduct themselves ethically and in compliance with the law. We have many policies in place to ensure we are acting with honesty and integrity, examples of some of these policies are: anti-corruption policy, human rights, trade compliance. We want to preserve the excellent reputation we have earned through maintaining good governance and conducting ourselves in a responsible and ethical manner.

##### *f. The need to act fairly as between members of the Company*

We are a wholly owned subsidiary of Wedco International Holdings, Inc., whose ultimate parent undertaking is The Walt Disney Company. There is regular contact with senior management at The Walt Disney Company which includes updates on new deals or amendments to existing deals that have been completed.

On behalf of the Board on 20 April 2023

DocuSigned by:  
  
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**Director:** M. Marsh

**Registered Office:** Third Floor 10 Hammersmith Grove  
Hammersmith, London  
W6 7AP United Kingdom

## Disney Networks Group (UK) Limited

### Directors' report for the period ended 2 October 2021

The Directors present their report and audited financial statements of Disney Networks Group (UK) Limited (the "Company") for the period ended 2 October 2021 (prior period ended 3 October 2020).

#### Dividends

The Directors do not recommend that a dividend be paid for year ended 2 October 2021 (2020: £5,000,000). No dividends were received by the Company during the year (2020: £nil).

#### Financial risk management

The Company uses various financial instruments, which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. The main risks arising from the Company's financial instruments are credit risk, foreign exchange risk and liquidity risk. The Directors review and agree policies for managing each of these risks, and they are summarised below.

##### (1) *Credit risk*

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is assessed continually by the Company's credit control function.

##### (2) *Price risk*

Actions to reduce inflation, including raising interest rates, could result in a reduction of discretionary consumer spend or a shift in consumer demand away from the services we offer. In addition, an increase in price levels generally can increase our costs. The adverse impact on the Company of this inflationary environment will depend, in part, on its severity and duration. The Company's ability to mitigate any profitability impacts will be limited.

##### (3) *Foreign exchange risk*

The Company may hold assets and liabilities denominated in foreign currencies. The Company has in place a foreign exchange policy, driven by the ultimate parent undertaking, The Walt Disney Company, and will reconsider the appropriateness of this policy should operations change in nature.

##### (4) *Liquidity risk*

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy throughout the period has been to achieve this objective through management's day-to-day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

#### Directors

The Directors who held office during the period and up to the date of signing the financial statements are as follows:

N Patel	
D Londono	
S Bailey	
M Marsh	(Appointed 21 January 2021)
S Williams	(Appointed 1 August 2022 and resigned 10 February 2023)
J Koeppen	(Resigned 5 November 2020)

There were no third party indemnity provisions during the period ended 2 October 2021 (2020: Nil).

## **Disney Networks Group (UK) Limited**

### **Directors' report for the period ended 2 October 2021 (continued)**

#### **Streamlined Energy and Carbon Reporting (SECR) Disclosure**

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and to some extent scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial period.

The Company is exempt from the requirement to disclose details of CO<sub>2</sub> and energy consumption by virtue of U.K. consumption being less than 40,000 kWh during the period.

#### **Statement of Directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under Company Law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

#### **Directors' confirmations**

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



## **Disney Networks Group (UK) Limited**

### **Directors' report for the period ended 2 October 2021 (continued)**

#### **Events after the balance sheet date**

Due to the ongoing conflict between Russia and Ukraine, on 10 March 2022, The Walt Disney Company announced that it was pausing all business operations in Russia. The decision was made to exit all business operations in Russia in September 2022. Contractual notices have been issued to end contracts for the broadcast of The Fox Channel in Russia. The Russian business accounted for 12% of the total revenue of the Company for the period ended 2 October 2021.

On 28 September 2022 the Company provided a revolving credit facility to Disney Enterprises Inc. (U.S.) for an aggregate principal amount of £51,104,000 (\$55,000,000) with a repayment date of 29 September 2023 and an interest rate which equals the 6-months Secured Overnight Financing Rate ("SOFR") Term + 10 basis points.

#### **Independent auditors**

An elective resolution has been passed to dispense with the obligation to annually reappoint the auditors, and therefore PricewaterhouseCoopers LLP are deemed to be reappointed for the next financial period.

On behalf of the Board 20 April 2023

DocuSigned by:



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M. Marsh

**Director**

#### **Registered Office**

Third Floor 10 Hammersmith Grove  
Hammersmith, London  
W6 7AP  
United Kingdom

## **Disney Networks Group (UK) Limited**

### **Independent auditors' report to the members of Disney Networks Group (UK) Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Disney Networks Group (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 2 October 2021 and of its profit for the period from 4 October 2020 to 2 October 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 2 October 2021; the Income Statement, the Statement of Comprehensive Income and Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements..

##### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

## Disney Networks Group (UK) Limited

### Independent auditors report to the members of Disney Networks Group (UK) Limited (continued)

#### Reporting on other information (continued)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

**Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.**

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 2 October 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the Directors for the financial statements*

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

##### *Auditors' 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 auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with the Companies Act 2006 and taxation legislation. For the period after year-end to the date of the financial statements compliance with sanction regulations is also relevant, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial results.

## Disney Networks Group (UK) Limited

### Independent auditors report to the members of Disney Networks Group (UK) Limited (continued)

#### Responsibilities for the financial statements and the audit (continued)

Audit procedures performed by the engagement team included:

- Inquiries with management of known or suspected instances of non-compliance with laws and regulations and fraud;
- Inquiries with management and internal counsel of any pending litigation;
- Reviewed board minutes to identify any instances of non-compliance with laws and regulations; and
- Identifying and testing manual journal entries, in particular any journal entries posted with unusual account combinations

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### Other required reporting

##### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Paul Wheeler (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
21 April 2023

## Disney Networks Group (UK) Limited

### Income Statement

for the period ended 2 October 2021

		Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000 (restated)
	<b>Notes</b>		
<i>Turnover</i>	5	66,571	100,391
<i>Cost of sales</i>		<u>(38,333)</u>	<u>(94,635)</u>
<i>Gross Profit</i>		28,238	5,756
<i>Administrative expenses</i>		<u>(18,059)</u>	<u>(23,722)</u>
<i>Operating Profit/(Loss)</i>	6	10,179	(17,966)
<i>Interest receivable and similar income</i>	8	-	80
<i>Interest payable and similar expense</i>	9	<u>(29)</u>	<u>-</u>
<i>Profit/(Loss) before taxation</i>		10,150	(17,886)
<i>Tax on profit/(loss)</i>	10	<u>(2,265)</u>	<u>(2,407)</u>
<i>Profit/(Loss) for the financial period</i>		<u>7,885</u>	<u>(20,293)</u>

### Statement of Other Comprehensive Income

for the period ended 2 October 2021

	Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000 (restated)
<i>Profit/(Loss) for the financial period</i>	7,885	(20,293)
<i>Exchange differences on retranslation of foreign operations</i>	<u>-</u>	<u>(1,007)</u>
<i>Other comprehensive income/(expense)</i>	-	(1,007)
<i>Total comprehensive income/(expense) for the financial period</i>	<u>7,885</u>	<u>(21,300)</u>

There were no recognised gains or losses for the period other than those included in the Statement of Comprehensive Income Statement above.

The notes on pages 16 to 31 form part of these financial statements

## Disney Networks Group (UK) Limited

### Statement of Financial Position

as at 2 October 2021

		2 October 2021 £'000	3 October 2020 £'000 (restated)
	<b>Notes</b>		
<b>Fixed assets</b>			
Tangible assets	11	-	773
Investments	12	-	-
Intangible assets	13	-	5,263
		<u>-</u>	<u>6,036</u>
<b>Current assets</b>			
Intangible assets	13	8,399	9,021
Debtors: amounts falling due within one period	14	64,578	100,354
Debtors: amounts falling due after more than one period	15	-	7,888
Cash at bank and in hand		50,209	124,577
		<u>123,186</u>	<u>241,840</u>
Creditors: amounts falling due within one period	16	<u>(62,273)</u>	<u>(194,848)</u>
<b>Net current assets</b>		<u>60,913</u>	<u>46,992</u>
<b>Total assets less current liabilities</b>		<u>60,913</u>	<u>53,028</u>
<b>Net assets</b>		<u>60,913</u>	<u>53,028</u>
<b>Capital and reserves</b>			
Called up share capital	18	-	-
Share premium account	19	11,514	11,514
Profit and loss account		<u>49,399</u>	<u>41,514</u>
<b>Total Shareholders' funds</b>		<u>60,913</u>	<u>53,028</u>

The Company has 11 (2020: 11) ordinary shares of £1 (2020: £1) each which is not shown here due to rounding. Please refer to note 18.

The financial statements on pages 13 to 31 were approved by the Board on 14 April 2023 and signed on its behalf on 20 April 2023 by:

DocuSigned by:  
  
 V. Marsh  
 Director

**Registered Office**  
 Third Floor 10 Hammersmith Grove  
 Hammersmith, London  
 W6 7AP  
 United Kingdom

## Disney Networks Group (UK) Limited

### Statement of Changes in Equity

for the period ended 2 October 2021

	Called-up share capital	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 July 2019</b>	-	11,514	67,815	79,329
Loss for the period	-	-	(23,418)	(23,418)
Restatement	-	-	3,125	3,125
Other comprehensive expense	-	-	(1,008)	(1,008)
Dividend distribution	-	-	(5,000)	(5,000)
<b>Balance at 3 October 2020 (restated)</b>	<u>-</u>	<u>11,514</u>	<u>41,514</u>	<u>53,028</u>
<b>Balance at 4 October 2020 (restated)</b>	-	11,514	41,514	53,028
Profit for the period	-	-	7,885	7,885
<b>Balance at 2 October 2021</b>	<u>-</u>	<u>11,514</u>	<u>49,399</u>	<u>60,913</u>

For information on the restatement refer to Note 4.

The Company has 11 (2020: 11) ordinary shares of £1 (2020: £1) each which is not shown here due to rounding. Please refer to note 18.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021

#### 1. General Information

Disney Networks Group (UK) Limited (the 'Company') is a private company limited by shares. It is incorporated and domiciled in England, United Kingdom. The address of its registered office is Third Floor 10 Hammersmith Grove, Hammersmith, London W6 7AP.

The Company is a wholly-owned subsidiary of Wedco International Holdings, Inc., whose ultimate parent undertaking is The Walt Disney Company, incorporated in the United States of America. The consolidated financial statements of The Walt Disney Company are publicly available.

The Company's principal activity is the operating, developing and distributing of entertainment television channels, namely Fox and Fox HD.

#### 2. Statement of Compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### a) Basis of preparation

These financial statements are prepared on a basis other than going concern, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the UK on a basis consistent with the prior period.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical accounting judgements and key source of estimation uncertainty' section of this note.

The financial statements are presented in pounds sterling (£), which is both the presentation and functional currency of the Company. The amounts presented are rounded to the nearest thousands (£'000) unless otherwise stated.

##### b) Going concern

The ultimate parent undertaking has decided to integrate the operations of the Company into another Group Company, The Walt Disney Company Limited (TWDC). Once the required integration steps are completed, including the transfer of the trade and assets of the Company to TWDC, it is the intention of the Directors to wind up and liquidate the entity. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described on page 16.

Given the above decision, the Directors have reviewed the impact of adopting a basis other than going concern and determined that tangible fixed assets of £283,000 have no remaining useful life and have been written off in the period. In addition, intangible assets are all disclosed as current assets at period end. The Directors have also considered the lease commitments of the entity (see Note 20) and concluded that TWDC will assume the commitment and that prior to that date the costs of the lease will be recharged to the entity and as such no adjustments were required. The Directors also considered the programme commitments, all useable content is expected to transfer to TWDC with no adjustments required, however, certain programme commitments related to assets that have been impaired in the following year, as such onerous contract provisions have been recorded as at 2 October 2021. No other adjustments are required to the amounts disclosed in the financial statements and the Directors are satisfied with the carrying value of all remaining assets and liabilities.



## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 3. Summary of significant accounting policies (continued)

##### c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a Group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of The Walt Disney Company which are publicly available. As a qualifying entity, the Company has taken advantage of the following exemptions in its separate financial statements:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- v) from the requirement to provide certain share-based payments disclosures as required by paragraphs 26.18(b), 26.19, 26.20, 26.21 and 26.23.

##### d) Accounting reference date

In order to align its accounting reference date to its ultimate parent Company, the Company changed its accounting reference date to 30 September in the prior period. The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting period on the closest Saturday to 30 September each period. An accounting reference date of 2 October 2021 has been adopted for the current period. The financial period represents the 52 weeks ended 2 October 2021 (prior period was 66 weeks ended 3 October 2020).

##### e) Foreign currencies

###### *(i) Functional and presentation currency*

The Company's functional and presentation currency is the pound sterling and rounded to thousands. During the year the Company completed a change in accounting system. Prior to the system migration certain divisions used a functional currency other than pound sterling (including US dollars) and translated these into the presentational currency using average rates for the income statement and the closing rate for the statement of financial position.

###### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 Income Statement.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 3. Summary of significant accounting policies (continued)

##### f) Turnover

Turnover is stated net of value added tax and net of any commissions paid. Advertising revenue is recognised in the month of airing. Subscriber revenue is recognised on a straight-line basis over the period to which it relates. Other revenue which includes Syndication and Sub-licensing revenue is recognised in full following the license delivery date.

In certain instances, in the subscriber and advertising revenue streams the Company uses agents in overseas markets to facilitate sales. The Company assesses its revenue arrangements against the specific criteria mentioned in FRS 102 in order to determine if it is acting as principal or agent. The Company is determined to be the principal and turnover represents the fair value of amounts receivable net of value added tax less commissions paid to agents.

Several factors are considered to determine whether the Company is an agent or principal, most notably where the Company is primarily responsible for providing the services, has credit risk and discretion in establishing the price of the services. Consideration is also given to whether the Company adds meaningful value to the vendor's product or service.

##### g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other Comprehensive Income or directly in equity.

*Current or deferred taxation assets and liabilities are not discounted.*

###### *(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

###### *(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

We work with relevant taxing authorities in a pro-active, open and transparent manner to close any open issues as quickly as possible. In appropriate circumstances we seek certainty on inherently uncertain tax positions by obtaining external advice or by seeking advance clearance with the tax authority. The Company's provides for uncertain tax positions when the estimate can be reliably estimated and there is sufficient evidence that is not probable of being sustained on examination by the tax authority. The liability is measured using either an expected value (weighted average probability) approach or a single best estimate of the most likely outcome.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 3. Summary of significant accounting policies (continued)

##### h) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, and any provision for impairment. Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Computer equipment and office machinery	–	Over 3 years
Leasehold Improvement	–	Over 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### i) Investments

Fixed asset investments are shown at cost less provision for impairment.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### j) Intangible assets

Intangible assets consist of programme rights.

The ultimate parent undertaking has decided to integrate the operations of the Company into another Group Company, The Walt Disney Company Limited (TWDC). This will require the trade and assets of the Company to be transferred to TWDC. Programme rights will be transferred at their remaining book value at the time of transfer.

Programme rights are stated at cost less accumulated amortisation. Programme rights, and the related liability, are recorded at cost when the programmes are available for transmission. Provisions are made for any programme rights which are in excess of the channel's requirements or which will not be shown for any reason.

Programme payments made in advance of the Company having the ability to transmit the related programmes are treated as prepayments.

Programme rights are amortised on a straight-line basis at the following rates:

Year 1: 50%
Year 2: 30%
Year 3: 20%

If license period is less than 3 year, the rights are amortised straight line over the license period.

Programme rights will transfer to TWDC at their residual value. Given the date of transfer is currently unknown, the existing amortisation policy has remained unchanged.

##### k) Cash at bank and in hand

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 3. Summary of significant accounting policies (continued)

##### l) Critical accounting judgments and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period.

##### *Basis of preparation (J)*

The ultimate parent undertaking has decided to integrate the operations of the Company into another Group Company, The Walt Disney Company Limited (TWDC). Once the required integration steps are completed, including the transfer of the trade and assets of the Company to TWDC, it is the intention of the Directors to wind up and liquidate the entity. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern. Refer to note 3b for further information.

##### *Intangible assets (E, J)*

Management makes an estimation of the useful economic life and the rates of amortisation based upon the expected value generated from the programme asset. Management also has to apply judgement in the application of the useful lives for programme assets.

\*(E - critical accounting estimates and assumptions; J - critical judgements in applying the Company's accounting policies)

#### 4. Prior period restatement of Income Statement, Statement of Other Comprehensive income and Statement of Financial Position

The prior period Income Statement and Statement of Financial Position has been corrected to reflect the following:

1. Recognition of Intercompany Receivables of £3,125,000 following collection after period end 3 October 2020. This balance was previously provided in full;
2. Reclassification of £2,261,000 from Debtors: Other taxes and social security costs to Creditors. The Company and National Geographic Europe Limited (NGCE) form part of the same VAT group. A balance owing to NGCE for VAT liabilities was incorrectly classified as other taxes and social security instead of amounts owing to group undertakings;
3. Reclassification of programme rights between Current and Non-Current Intangible Assets of £3,758,000 as the categorisation was reflected incorrectly.

The above adjustments resulted in a net decrease in loss for the financial period by £3,125,000 and increase in the net assets of the Company by £3,125,000. There was no impact on the tax liability of the Company as a result of the above adjustments.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 4. Prior period restatement of Income Statement, Statement of Financial Position and Statement of Other Comprehensive income (continued)

The resulting restated Income Statement and Statement of Financial Position as at 03 October 2020 is as follows:

##### Income Statement

	Period ended 03 October 2020 £'000 (as stated)	Increase  £'000	Period ended 03 October 2020 £'000 (restated)
Administrative expenses	(26,847)	3,125	(23,722)
Profit/(Loss) before taxation	(21,011)	3,125	(17,886)
Profit/(Loss) for the financial period	(23,418)	3,125	(20,293)

##### Statement of Other Comprehensive Income

	Period ended 03 October 2020 £'000 (as stated)	Increase  £'000	Period ended 03 October 2020 £'000 (restated)
Profit/(Loss) for the financial period	(23,418)	3,125	(20,293)
Total comprehensive income/(expense) for the financial period	(24,425)	3,125	(21,300)

##### Statement of Financial Position

	As at 03 October 2020 £'000 (as stated)	(Decrease) / Increase  £'000	As at 03 October 2020 £'000 (restated)
Fixed assets (Intangible Assets)	9,021	(3,758)	5,263
Current assets (Intangible Assets)	5,263	3,758	9,021
Debtors: amounts falling due within one period	98,829	1,525	100,354
Creditors: amounts falling due within one period	(196,448)	1,600	(194,848)
Net current assets	40,109	6,883	46,992
Total assets less current liabilities	49,903	3,125	53,028
Net assets	49,903	3,125	53,028
Profit and loss account	38,389	3,125	41,514
Total Shareholders' funds	49,903	3,125	53,028

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 5. Turnover

The turnover is wholly attributable to the principal activity of the Company. The Company's turnover by class of business is as follows:

	Period ended 2 October 2021	Period ended 3 October 2020
	£'000	£'000
Subscriber revenue	45,748	65,963
Advertising revenue	14,531	20,344
Other revenue (Syndication and Intercompany Revenue)	6,292	14,084
	<u>66,571</u>	<u>100,391</u>

The analysis of the Company's turnover for the period by geographical destination during the period was as follows:

	Period ended 2 October 2021	Period ended 3 October 2020
	£'000	£'000
UK & Ireland	28,660	47,971
Rest of Europe	37,911	52,420
	<u>66,571</u>	<u>100,391</u>

#### 6. Operating Profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	Period ended 2 October 2021	Period ended 3 October 2020
	£'000	£'000
Auditors' remuneration – audit services	149	123
Depreciation of fixed assets (see note 11)	490	1,445
Impairment of fixed assets (see note 11)	283	-
Amortisation of programme costs (see note 13)	14,567	45,839
Impairment of programme costs (see note 13)	9,382	24,084
Allocation of management services	9,964	7,091
Provision for lease retirement obligations	825	-
Provision for programme financial commitments (see note 20)	1,032	-
Gain/(Loss) on foreign currency transactions	(207)	(1,602)

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 7. Staff costs and numbers

	Period ended 2 October 2021	Period ended 3 October 2020
	£'000	£'000
Wages and salaries	5	4,960
Social security costs	3	239
Other pension costs	-	150
	<u>8</u>	<u>5,349</u>

The average monthly number of employees during the period was made up as follows:

	Period ended 2 October 2021	Period ended 3 October 2020
	No.	No.
Management	-	1
Sales and marketing	-	38
Administration	1	39
Broadcast and other	-	37
	<u>1</u>	<u>115</u>

For the period end date, only one employee is directly employed by Disney Networks Group (UK) Limited as all other employees transferred to The Walt Disney Company Limited in April 2020. The remaining employee is working for an overseas representative office.

The Directors in service during the period are remunerated directly by The Walt Disney Company Limited which makes no recharge to the Company. All Directors receive emoluments in respect of services to the Group and it is not possible to identify the proportion of these emoluments that relate to qualifying services to this Company. Accordingly, we have not disclosed the remuneration in respect of the Directors. Since S. Bailey and S. Williams are also Directors of The Walt Disney Company Limited, their total remuneration is included in the aggregate of Directors' remuneration disclosed in the financial statements of this group undertaking.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 8. Interest receivable and similar income

	Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000
Interest receivable and similar income	-	80

#### 9. Interest payable and similar expense

	Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000
Interest payable and similar expense	29	-

#### 10. Tax on profit/(loss)

The tax charge for taxation based upon the taxable profit/(loss) for the period is comprised of:

	Period ended 2 October 2021 £'000	Period ended 3 October 2020 £'000
<b>Current tax:</b>		
UK corporation tax on the profit for the period at 19%	513	-
Foreign tax suffered	976	3,397
Adjustments in respect of prior periods	776	(990)
Total current tax charge	2,265	2,407
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior periods	-	-
Tax on profit/(loss)	2,265	2,407



## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 10. Tax on profit/(loss) (continued)

##### Factors affecting the tax charge / credit for the period

The tax rate applied for the period differs from the standard rate of corporation tax of 19% (2020: 19%) in the UK due to the differences below:

	Period ended 2 October 2021	Period ended 3 October 2020
	£'000	£'000 (restated)
Profit/(loss) before taxation	10,150	(17,886)
Profit/(loss) before taxation by the standard rate of corporation tax in the UK of 19% (2020: 19%)	1,928	(3,398)
<b>Effects of:</b>		
Expenses not deductible	131	669
Excess foreign taxes suffered	976	3,397
Group relief surrendered	(312)	2,455
Difference in tax rate – prior period	(382)	-
Deferred tax not recognised	(852)	274
Prior period adjustments - current	776	(990)
Total tax for the period	2,265	2,407

##### Factors that may affect future tax charges

The Finance Act 2022 introduced provisions to increase the tax rate from 19% to 25% from 1 April 2023.

A deferred tax asset has not been recognised on the tax losses, fixed assets and share scheme on the basis that any tax benefits from future taxable profits cannot be determined or measured. Deferred tax not recognised is £1,592,000 (2020: £1,479,000).

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 11. Tangible assets

Tangible assets consist of computer equipment and office machinery.

	<b>2 October 2021</b>	<b>3 October 2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>		
Opening balance for the period	7,298	7,543
Additions during the period	-	103
Disposals during the period	-	(348)
<b>Closing balance for the period</b>	<b>7,298</b>	<b>7,298</b>
<b>Accumulated depreciation</b>		
Opening balance for the period	6,525	5,409
Depreciation charge during the period	490	1,445
Impairment charge during the period	283	-
Disposals during the period	-	(329)
<b>Closing balance for the period</b>	<b>7,298</b>	<b>6,525</b>
<b>Net book value</b>		
<b>Closing balance for the period</b>	<b>-</b>	<b>773</b>

#### 12. Investments

During the prior period ended 3 October 2020 the 100% investments in Fox Networks Group Spain S.L. and Fox Networks Group Italy S.R.L. were sold at book value of £40,040 in total to a related group Company.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 13. Intangible assets

Intangible assets consist of programme rights.

	2 October 2021	3 October 2020
	£'000	£'000
<b>Cost</b>		
Opening balance for the period	213,280	285,615
Additions during the period	24,537	45,521
Disposals during the period	(201,393)	(113,639)
Transferred during the period	(7,818)	(4,217)
<b>Closing balance for the period</b>	<b>28,606</b>	<b>213,280</b>
<b>Accumulated amortisation</b>		
Opening balance for the period	198,996	242,712
Charged during the period	14,567	45,839
Impairment charge during the period	9,382	24,084
Disposals during the period	(201,393)	(113,639)
Transferred during the period	(1,345)	-
<b>Closing balance for the period</b>	<b>20,207</b>	<b>198,996</b>
<b>Net book value</b>		
<b>Closing balance for the period</b>	<b>8,399</b>	<b>14,284</b>
<b>Of which:</b>		
	2 October 2021	3 October 2020
	£'000	£'000
		<i>(restated)</i>
Non-current assets	-	5,263
Current assets	8,399	9,021
<b>Total intangible assets</b>	<b>8,399</b>	<b>14,284</b>

Upon closure of The FOX UK Channel, titles with digital rights are transferred to TWDC. During the period, a review of the carrying value of programming assets was performed resulting in an impairment of £9,382,000 (2020: £24,084,000). This includes an impairment of £2,293,000 due to the exit of business operations from Russia in September 2022. Whilst conducting this review, certain assets were identified with a nil net book value which are no longer in use. As a result, we derecognised £201,393,000 (2020: £113,639,000) of gross book value and accumulated amortisation. Of the £201,393,000 an amount of £87,256,000 had a £nil net book value in the prior period and should have been derecognised in the period then ended. There is no impact to the Statement of Financial Position or Statement of Comprehensive Income.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 14. Debtors: amounts falling due within one period

	2 October 2021	3 October 2020
	£'000	£'000
		<i>(restated)</i>
Trade debtors	12,154	12,211
Amounts owed by group undertakings	37,225	74,820
Corporation tax asset	483	1,773
Prepayments and accrued income	14,716	11,550
	<u>64,578</u>	<u>100,354</u>

Amounts owed by group undertakings are expected to be settled within twelve months.

#### 15. Debtors: amounts falling due after more than one period

	2 October 2021	3 October 2020
	£'000	£'000
		<i>(restated)</i>
Prepayments and accrued income	-	7,888
	<u>-</u>	<u>7,888</u>

#### 16. Creditors: amounts falling due within one period

	2 October 2021	3 October 2020
	£'000	£'000
		<i>(restated)</i>
Trade creditors	1,208	922
Amounts owed to group undertakings	36,439	146,661
Taxation and social security	592	661
Accruals and deferred income	24,034	46,604
	<u>62,273</u>	<u>194,848</u>

Amounts owed to group undertakings are expected to be settled within twelve months.

The Accruals and deferred income balance above includes £16,129,000 (2020: £28,809,000) of balances relating to group undertakings with the remaining balance related to general accruals.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 17. Financial instruments by category

	2 October 2021	3 October 2020
	£'000	£'000 (restated)
<b>Financial assets measured at amortised cost:</b>		
Trade debtors	12,154	22,211
Amounts owed by group undertakings	37,225	74,820
Cash at bank and in hand	50,209	124,577
	99,588	211,608
	2 October 2021	3 October 2020
	£'000	£'000 (restated)
<b>Financial liabilities measured at amortised cost:</b>		
Trade creditors	1,208	922
Amounts owed to group undertakings	36,439	146,661
Accruals	24,034	46,604
	61,681	194,187

#### 18. Called up share capital

	2 October 2021		3 October 2020	
<i>Allotted, called-up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	11	11	11	11

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 19. Share premium account

	2 October 2021	3 October 2020
	£'000	£'000
Share premium reserve	11,514	11,514

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### 20. Other financial commitments

At 2 October 2021 the Company had annual commitments under non-cancellable operating leases as set out below:

Land and buildings:	2 October 2021	3 October 2020
	£'000	£'000
Not later than one year	1,497	1,497
Later than one year and not later than five years	2,832	4,329
Later than five years	-	-
	<u>4,329</u>	<u>5,826</u>

The commitments amount includes the lease commitment related to the lease of part of the second floor and the whole third floor of 10 Hammersmith Grove London which is in place until 21 August 2024 and the annual commitment, before lease incentives, is £1,497,000 (2020: £1,497,000). Disney Networks Group (UK) Limited is the lease owner and recharges other group entities. Of the annual commitment, £1,393,000 (2020: £1,276,000), was reimbursed in the following period.

At 2 October 2021 the Company also has annual programming commitments as set out below:

	2 October 2021	3 October 2020
	£'000	£'000
Programme commitments, contracted for and authorised	<u>4,095</u>	<u>9,728</u>

The above commitments are payable in US dollars. At 2 October 2021, these commitments have been translated at the period-end rate of \$1.3473.

The ultimate parent undertaking has decided to integrate the operations of the Company into another Group Company, The Walt Disney Company Limited (TWDC). This will require the trade and assets of the Company to be transferred to TWDC. TWDC will also assume all remaining operating lease and programme financial commitments of the Company at the time of transfer.

Due to the exit of business operations from Russia in September 2022, the Company recognised a provision for programme financial commitments of £1,032,000. This reflects the expected loss to be incurred from the end of the period until the point at which they are transferred to TWDC at their expected net book value at that time.

## Disney Networks Group (UK) Limited

### Notes to the Financial Statements for the period ended 2 October 2021 (continued)

#### 21. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Wedco International Holdings, Inc., a Company incorporated under the laws of the State of Delaware, U.S.A., with registered number 4653170 and with its principal place of business located at 500 South Buena Vista Street, Burbank, California 91521-9722, USA.

#### Parent undertaking

The largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member is as follows:

<b>Name (Tax ID number)</b>	The Walt Disney Company (83-0940635)
<b>Country of incorporation</b>	United States of America
<b>Address from where copies of the group financial statements can be obtained</b>	500 South Buena Vista St. Burbank, California 91521-9722 USA

The ultimate parent undertaking at 2 October 2021 was The Walt Disney Company, a company incorporated in the USA. Prior to 20 March 2019 the ultimate parent undertaking was Twenty-First Century Fox Inc., a company incorporated in the USA.

#### 22. Post balance sheet events

Due to the ongoing conflict between Russia and Ukraine, on 10 March 2022, The Walt Disney Company announced that it was pausing all business operations in Russia. The decision was made to exit all business operations in Russia in September 2022. Contractual notices have been issued to end contracts for the broadcast of The Fox Channel in Russia. The Russian business accounted for 12% of the total revenue of the Company for the period ended 2 October 2021.

On 28 September 2022 the Company provided a revolving credit facility to Disney Enterprises Inc. (U.S.) for an aggregate principal amount of £51,104,000 (\$55,000,000) with a repayment date of 29 September 2023 and an interest rate which equals the 6-months Secured Overnight Financing Rate ("SOFR") Term + 10 basis points.