

DCL Finance (UK) Limited
(Registered Number 3017046)

Directors' Report and Financial Statements
Year Ended 3 October 2009



DCL Finance (UK) Limited

Directors' Report and Financial Statements for the Year Ended 3 October 2009

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DCL Finance (UK) Limited

Directors' Report for the Year Ended 3 October 2009

The Directors present their annual report and financial statements of DCL Finance (UK) Limited ('the Company') for the 53 weeks to 3 October 2009

Principal activities, business review and future developments

The Company's principal activity is the leasing of a cruise ship under a finance lease. Revenue has remained stable and the Company expects to continue its principal activity for the foreseeable future.

The results for the Company show a profit of £1,238,000 (2008: £1,446,000) for the year and revenues of £9,178,000 (2008: £12,783,000). No dividends were paid during the year (2008: £nil).

Principal risks and uncertainties and future outlook

From the perspective of the Company, its principal risks and uncertainties and future outlook are integrated with those of The Walt Disney Company Group ("the group") and are not managed separately. Accordingly, The Walt Disney Company annual report should be referred to in order to gain a more detailed understanding of business performance and related risks and uncertainties.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The Company's operations expose it to financial risks, the most significant of which is 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 Walt Disney Company credit control function.

Going concern

As the loan to Walt Disney International Financing LLC is repayable on demand, DCL Finance (UK) Limited relies on support by Disney Enterprises Inc. to provide sufficient finance to enable the Company to continue its operations throughout the year. This support shall continue to be provided, which has been confirmed in writing to the directors, and therefore the Directors consider the financial statements should be prepared on a going concern basis to give a true and fair view.

Directors

The directors who held office during the year and up to the date of approval of the accounts are as follows:

N Cook	
C Rose	(resigned 28 September 2009)
J Headley	
P Wiley	(appointed 28 September 2009)

None of the directors have a beneficial interest in the shares of the Company.

DCL Finance (UK) Limited

Directors' Report for the Year Ended 3 October 2009 (Continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Provision of Information to Auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 year.

By order of the Board on 19 January 2010


N Cook
Director

19 January 2010
Registered Office
3 Queen Caroline St
Hammersmith
London, W6 9PE

DCL Finance (UK) Limited

Independent Auditors' Report to the Members of DCL Finance (UK) Limited

We have audited the financial statements of DCL Finance (UK) Limited ('the Company') for the 53 weeks to 3 October 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Accounting Policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Sections 495 and 496 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.

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.

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 3 October 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

DCL Finance (UK) Limited

Independent Auditors' Report to the Members of DCL Finance (UK) Limited (continued)

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

Stuart Newman

Stuart Newman (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 January 2010

DCL Finance (UK) Limited

(Registered Number 3017046)

Profit and Loss Account for the Year Ended 3 October 2009

	<i>Note</i>	Year ended 3 October 2009 £'000	Year ended 27 September 2008 £'000
Turnover	2	9,178	12,783
Administrative expenses		(16)	(19)
Operating profit	4	9,162	12,764
Interest payable and similar charges	3	(7,615)	(10,925)
Profit on ordinary activities before taxation		1,547	1,839
Tax on profit on ordinary activities	5	(309)	(393)
Profit for the financial year	10	1,238	1,446

There were no other gains or losses for the year other than those reported in the profit and loss account and consequently no statement of total recognised gains and losses has been presented

There are no material differences between the profit on ordinary activities as reported above, and its historical cost equivalent

The results shown above are derived from continuing operations


The notes on pages 8 to 13 form part of these financial statements

DCL Finance (UK) Limited

Balance Sheet as at 3 October 2009

	Note	3 October 2009 £'000	27 September 2008 £'000
Current assets			
Debtors amounts falling due after more than one year	6	262,915	263,550
		262,915	263,550
Creditors amounts falling due within one year	7	(160,348)	(162,331)
Net current assets		102,567	101,219
Provisions for liabilities and charges	8	(71,448)	(71,338)
Net assets		31,119	29,881
Equity capital and reserves			
Called up share capital	9	-	-
Share premium reserve	10	17,000	17,000
Profit and loss account	10	14,119	12,881
Equity shareholder's funds	11	31,119	29,881

The financial statements on pages 6 to 13 were approved by the Board of Directors on 19 January 2010 and were signed on its behalf by


 Nigel Cook
 Director
 19 January 2010

The notes on pages 8 to 13 form part of these financial statements

DCL Finance (UK) Limited

Notes to the Accounts for the Year Ended 3 October 2009

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards on a basis consistent with the prior period. The principal accounting policies are set out below.

The Company's accounts fall within the scope of the Finance & Leasing Association's Statement of Recommended Practice (SORP), "Accounting Issues in the Asset Finance and Leasing Industry" and have been prepared in accordance with the provisions thereof.

a) Going concern

As the loan to Walt Disney International Financing LLC is repayable on demand, DCL Finance (UK) Limited relies on support by Disney Enterprises Inc. to provide sufficient finance to enable the Company to continue its operations throughout the year. This support shall continue to be provided, which has been confirmed in writing to the Directors, and therefore the Directors consider the financial statements should be prepared on a going concern basis to give a true and fair view.

b) Accounting for leases

The Company is the lessor of a cruise ship under an agreement which transfers substantially all the risks and rewards associated with ownership, other than legal title to the lessee. This lease is therefore accounted for as a finance lease. The cost of the asset was £192,390,000.

Net investment in finance leases is included in debtors and represents total minimum lease payments less gross earnings allocated to future years and non-refundable rents in advance. Income from finance leases is credited to the profit and loss account using the actuarial after-tax method to give a constant periodic rate of return on the net cash investment.

The lease is a pre-existing lease purchased from Abbey National March Leasing (4) Limited and expires March 31 2026. The original lease period was from March 1996.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, or where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

DCL Finance (UK) Limited

Notes to the Accounts for the Year Ended 3 October 2009 (continued)

d) Turnover

Turnover represents income from finance leases which is credited to the profit and loss account using the actuarial after tax method to give a constant periodic rate of return on the net cash investment

e) Cash flow statement

The Company is a wholly owned subsidiary of The Walt Disney Company Limited, whose ultimate parent company is The Walt Disney Company, incorporated in the United States of America, and is included in its consolidated financial statements, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996)

f) Accounting reference date

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 year. An accounting reference date of 3 October 2009 has been adopted for the current year.

The financial year represents the 53 weeks ended Saturday 3 October 2009 (prior year the 52 weeks ended 27 September 2008)

2 Turnover

	2009	2008
	£'000	£'000
Rental income from finance leases	17,873	17,960
Rental rebates – interest variations	(8,695)	(5,177)
Total	9,178	12,783

3 Interest payable and similar charges

	2009	2008
	£'000	£'000
Interest payable to group undertakings	7,615	10,925

4 Operating profit

Operating profit is stated after charging

	2009	2008
	£'000	£'000
Auditors' remuneration – audit fees	16	19

The Company had no employees during the year ended 3 October 2009 (2008: nil)

DCL Finance (UK) Limited
Notes to the Accounts for the Year Ended 3 October 2009 (continued)

5 Tax on profit on ordinary activities

The charge for taxation is based upon the taxable profit for the year and comprises

	2009 £'000	2008 £'000
Tax on profit on ordinary activities		
Analysis of charge in period		
Current tax		
UK corporation tax at 28% (2008 29%)	199	(94)
Total current tax	199	(94)
Deferred tax		
Origination and reversal of timing differences		
Current year	110	487
Total deferred tax (note 8)	110	487
Tax charge on profit on ordinary activities	309	393

The deferred tax liability was revalued as at 29 September 2007 to reflect the change in the standard rate of corporation tax in the UK from 30% to 28% from April 2008

(a) Factors affecting tax charge for the year

The tax assessed for the period is lower (2008 lower) than the standard rate of corporation tax in the UK (2009 28%, 2008 29%) The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	1,547	1,839
Expected tax at 28% (2008 29%)	433	533
Effects of		
Permanent differences	(2)	(277)
Capital allowances in excess of depreciation	(232)	(350)
Current tax charge/(credit) for the year	199	(94)

DCL Finance (UK) Limited

Notes to the Accounts for the Year Ended 3 October 2009 (continued)

6 Debtors: amounts falling due after more than one year

	2009 £'000	2008 £'000
<u>Net investment in finance lease comprises</u>		
Total amounts receivable	457,442	475,752
Less interest allocated to future periods	(198,947)	(216,820)
	<u>258,495</u>	<u>258,932</u>
 Amounts due from group undertakings	 4,420	 4,618
 Total	 262,915	 263,550
Amounts due from group undertakings are interest free, repayable on demand and unsecured		

7 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Accruals	16	19
Amounts due to group undertakings	160,332	162,312
 Total	 160,348	 162,331

Amounts due to group undertakings are unsecured and comprise a loan from Walt Disney International Financing LLC which is repayable on demand. Interest is accrued on the loan at the six-month LIBOR rate plus 55 basis points semi-annually.

8 Provision for liabilities and charges

The provision relates to deferred tax. The deferred tax liability comprises the following amounts:

	2009 £'000	2008 £'000
Deferred tax liability on fixed assets	(71,338)	(71,338)
Undiscounted deferred tax liability	(71,338)	(71,338)
 Opening deferred tax liability	 (71,338)	 (70,851)
Amount charge in profit and loss account	(110)	(487)
 Closing deferred tax liability	 (71,448)	 (71,338)

DCL Finance (UK) Limited
Notes to the Accounts for the Year Ended 3 October 2009 (continued)

9 Called up share capital

	2009 £	2008 £
Authorised 100 ordinary shares of £1 each	100	100
Allotted and fully paid 3 ordinary shares of £1 each (2008 3)	3	3

10 Reserves

	Share premium reserve £'000	Profit and loss account £'000	Total £'000
At 27 September 2008	17,000	12,881	29,881
Retained profit for the financial year	-	1,238	1,238
At 3 October 2009	17,000	14,119	31,119

11 Reconciliation of movements in shareholder's funds

	2009 £'000	2008 £'000
Retained profit for the financial year	1,238	1,446
Net increase in shareholder's funds	1,238	1,446
Opening shareholder's funds	29,881	28,435
Closing shareholder's funds	31,119	29,881

12 Directors' emoluments

During the year, amounts paid to directors in respect of their qualifying services to the Company were £nil (2008 £nil). Retirement benefits are accruing for two directors (2008 two) including the highest paid director, under the defined contribution scheme. Two directors received share options under long term incentive schemes and exercised share options in the ultimate parent company in the year (2008 two).

DCL Finance (UK) Limited
Notes to the Accounts for the Year Ended 3 October 2009 (continued)

13 Ultimate parent undertaking

Ultimate parent

DCL Finance (UK) Limited is a wholly owned subsidiary of American Broadcasting Company Inc whose ultimate parent is The Walt Disney Company incorporated in the United States of America

On 16 March 2009, The Walt Disney Company Limited transferred the investment in DCL Finance (UK) Limited to Walt Disney International Limited as a dividend in specie. On 17 March 2009 Walt Disney International Limited transferred the investment in DCLF Finance (UK) Limited as a dividend in specie to Hammersmith Enterprises Limited. On 19 March 2009 Hammersmith Enterprises Limited transferred the investment in DCLF Finance (UK) Limited to American Broadcasting Company Inc.

Parent undertaking

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

Name	The Walt Disney Company
Country of Incorporation	United States of America
Address from where copies of the group accounts can be obtained	500 South Buena Vista St Burbank, California 91521-9722 USA

14 Related party transactions

The Company is a wholly owned subsidiary of The Walt Disney Company Limited whose ultimate parent is The Walt Disney Company and utilises the exemption contained in FRS 8, Related Party Disclosures, not to disclose any transactions with entities that are included in the consolidated financial statements of The Walt Disney Company. The address at which the consolidated financial statements of the ultimate parent company are publicly available is included in note 13.