

Jetix Consumer Products UK Limited
(formerly Active Licensing UK Limited)

Report and accounts for the year ended 30 September 2004

Registered No: 3036727



Directors, Company Secretary and Auditors

Directors

Dene Stratton
Oliver Fryer
Olivier Spiner

Secretary

Oliver Fryer

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers

Barclays Bank PLC
27 Soho Square
London W1A 4WA

Registered Office

3 Queen Caroline Street
Hammersmith
London W6 9PE

Directors' Report

The directors present their annual report together with the accounts and auditors' report for the year ended 30 September 2004.

Principal activity and business review

The company's principal activity was that of a sales agent.

The directors expect the general level of activity to continue for the foreseeable future.

Change of name

The company changed its name from Active Licensing UK Limited to Jetix Consumer Products UK Limited on 14 June 2004.

Results and dividends

The profit / (loss) for the year after taxation was £228,241, (30 September 2003 – (£57,415)). The directors do not recommend the payment of a dividend in respect of the year ended 30 September 2004 (2003 - £nil).

Directors and their interests

The directors who held office during the year were as follows:

Stephen Gould (resigned 30 January 2004)

Olivier Spiner

Bruce Steinberg (resigned 12 July 2004)

Martin Weigold (resigned 17 December 2004)

Oliver Fryer (appointed 12 July 2004)

Ian Finnegan (resigned 10 June 2004)

Ronnie Cook (appointed 9 January 2004, resigned 28 February 2005)

The directors had no interest during the period in the share capital of the company or of any other group undertaking which required disclosure under the Companies Act 1985.

Supplier Payment Policy and Practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

Employment

The Company continues to involve staff in the decision making process and communicates regularly with them during the year. The aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and to provide equal opportunity, regardless of sex, religion or ethnic origin

Directors' Report (continued)

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 year*. In preparing those accounts, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2004 and that applicable Accounting Standards have been followed.

Auditors

Pricewaterhousecoopers LLP have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the forthcoming Annual General Meeting.

3 Queen Caroline Street
Hammersmith
London W6 9PE

By order of the Board



Dene Stratton, Director

30 September 2005

Independent Auditors' Report to the members of Active Licensing UK Limited

Independent auditors' report to the members of Active Licensing UK Ltd

We have audited the financial which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.


Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors. 1 Embankment Place, London WC2N 6RH

Profit and loss account

For the year ended 30 September 2004

	Notes	Year ended 30 September 2004	Year ended 30 September 2003
		£	£
Turnover	2	1,767,219	1,454,550
Administrative expenses		(1,410,818)	(1,527,571)
Operating profit/ (loss)	3	356,401	(73,021)
Interest payable		(27,557)	(6,523)
Profit/ (loss) on ordinary activities before taxation		328,844	(79,544)
Tax on profit/ (loss) on ordinary activities	5	(100,603)	22,129
Retained profit/ (loss) on ordinary activities for the period	10	228,241	(57,415)

The movement on reserves is disclosed in note 10.

All these amounts stated above relate to continuing operations.

The notes on pages 8 to 12 form an integral part of the financial statements.

Balance sheet
30 September 2004

	Notes	2004	2003
		£	£
Current assets			
Debtors and prepayments	6	1,123,606	1,942,366
Cash		-	7,500
		<u>1,123,606</u>	<u>1,949,866</u>
Creditors: Amounts falling due within one year	7	(876,634)	(1,931,135)
		<u>(876,634)</u>	<u>(1,931,135)</u>
Net current assets		<u>246,972</u>	<u>18,731</u>
Total assets less current liabilities		<u>246,972</u>	<u>18,731</u>
Net assets		<u>246,972</u>	<u>18,731</u>
Equity capital and reserves			
Called-up share capital	9	102	102
Capital reserve	10	299,487	299,487
Profit and loss account	10	(272)	(280,858)
Equity Shareholders' funds	10	<u>299,317</u>	<u>18,731</u>

These financial statements were approved by the Board of Directors on 30 September 2005 and were signed on its behalf by:



Dene Stratton
Director

30 September 2005

The notes on pages 8 to 13 form an integral part of the financial statements.

Notes to accounts

at 30 September 2004

1 Principal accounting policies

The principal accounting policies are summarised below. They have all been consistently applied throughout the current and the preceding period, except where noted below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Under the provisions of Financial Reporting Standard No.1 (Revised), the company has not prepared a cash flow statement because Jetix Europe N.V., a company incorporated in the Netherlands, has prepared consolidated accounts which include the accounts of the company for the year and which contain a consolidated cash flow statement.

b) Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing on the balance sheet date. All resultant exchange differences are included in the profit and loss account for the year.

c) Leasing and hire purchase commitments

Assets held under finance leases, where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term or their useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Notes to accounts (continued)

at 30 September 2004

1 Principal accounting policies (continued)

d) *Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Computer equipment - 3 years

e) *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

f) *Related party transactions*

The company has taken advantage of the exemption conferred by FRS8 not to disclose details of transactions with other members of the Jetix Europe N.V. group or its investees since it is a wholly owned subsidiary undertaking of Jetix Europe N.V. whose consolidated accounts are available to the public.

g) *Deferred tax*

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, by the balance sheet date. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

2 Turnover

Turnover represents amounts receivable in respect of commissions and group service charges earned during the year, stated net of value added tax.

It is the opinion of the directors that, in view of the company's business, the markets in which it operates do not differ substantially from each other and are therefore treated as one market for the purpose of disclosing particulars of turnover in these accounts.

3 Operating profit / (loss)

Operating profit / (loss) is stated after charging:

	2004 £	2003 £
Depreciation	56,590	75,852
Auditors' remuneration	5,000	5,000
Staff costs (see note 4)	<u>616,127</u>	<u>770,096</u>

Notes to accounts (continued)
at 30 September 2004

4 Staff costs

	2004 £	2003 £
Wages and salaries	555,578	694,771
Social security costs	58,573	60,955
Other pension costs	1,976	14,370
	<u>616,127</u>	<u>770,096</u>

	2004 Number	2003 Number
Average monthly number of employees during the year:	<u>14</u>	<u>9</u>

The directors received no remuneration in respect of their services to the company during the year (2002 – nil).

5 Tax on profit / (loss) on ordinary activities

(a) Analysis of tax charge / (credit) in period

	2004 £	2003 £
Current tax	-	-
Deferred tax	100,603	(22,129)
Tax charge / (credit) on ordinary activities	<u>100,603</u>	<u>(22,129)</u>

(b) Factors affecting tax charge / (credit) for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Notes to accounts (continued)
at 30 September 2004

	2004	2003
		£
Profit / (loss) before taxation	328,844	(79,544)
Profit / (loss) per ordinary activities multiplied by the standard rate (30%)	98,653	(23,863)
Expenses not deductible for tax	1,944	3,241
Accelerated capital allowances / other timing differences	142	118
(Utilisation) / creation of tax losses	(100,739)	20,504
Current tax charge for the period	-	-

Factors that may affect future tax charge

The company has tax losses carried forward of £2,200 (2003: £338,000) for which a deferred tax asset has been recognised on the basis that the losses should be utilised in the near future.

6 Debtors

	2004	2003
	£	£
Trade debtors	4,882	13,845
Amounts owed by group undertakings	880,575	1,617,623
Taxation and social security	7,705	6,118
Deferred tax asset	3,518	104,121
Prepayments and accrued income	226,926	200,659
	<u>1,123,606</u>	<u>1,942,366</u>

Notes to accounts (continued)

at 30 September 2004

7 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	4,203	2,787
Bank overdrafts	190,553	-
Amounts due to group undertakings	594,544	1,797,732
Other creditors	9,649	68,893
Accruals and deferred income	77,685	61,722
	<u>876,634</u>	<u>1,931,135</u>

8 Deferred Tax Asset

	2004 £	2003 £
Capital allowances	2,854	2,718
Tax losses carried forward	<u>664</u>	<u>101,403</u>
	<u>3,518</u>	<u>104,121</u>
Deferred tax asset at the start of the period	104,121	81,992
Movement in the period	<u>(100,603)</u>	<u>22,129</u>
Deferred tax asset at the end of the period	<u>3,518</u>	<u>104,121</u>

9 Share capital

	2004 £	2003 £
Authorised, allotted, called up and fully paid:		
102 ordinary shares of £1 each	<u>102</u>	<u>102</u>

Notes to accounts (continued)

at 30 September 2004

10 Reconciliation of shareholders' funds and movements on reserves

	Capital reserve £	Share capital £	Profit and loss account £	Total £
At 30 September 2003	299,487	102	(280,858)	18,731
Profit for the year to 30 September 2004	-	-	228,241	228,241
At 30 September 2004	<u>299,487</u>	<u>102</u>	<u>(52,618)</u>	<u>246,972</u>

11 Other financial commitments

Pensions commitments

The company operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

There are no unpaid contributions outstanding at the year end (2003 – None).

12 Ultimate parent company

The company is a subsidiary undertaking of Jetix Europe Properties S.a.r.l., a company incorporated in Luxembourg.

The ultimate parent company is The Walt Disney Company, Inc., a company incorporated in the United States of America.

The smallest group in which the company's financial statements are consolidated is that headed by Jetix Europe N.V., a company incorporated in the Netherlands. These financial statements are available to the public and can be obtained from Jetix Europe N.V., Sumatrallaan 45, 1217 GP, Hilversum, The Netherlands.

The largest group in which the company's financial statements are consolidated is that headed by The Walt Disney Company Inc.. These financial statements are available to the public and can be obtained from The Walt Disney Company Inc., 500 South Buena Vista Street, Burbank CA 91521, United States of America.

13 Related Parties

The company has taken advantage of the exemption conferred by FRS8 not to disclose details of transactions with other members of the Jetix Europe N.V. group since it is a wholly owned subsidiary undertaking of Jetix Europe N.V. whose consolidated accounts are available to the public.