

**Jetix Consumer Products UK Limited**

Directors' report and financial statements  
for the year ended 30 September 2011

Registered number 3036727

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Director's report and financial statements  
for the year ended 30 September 2011

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## **Directors' report for the year ended 30 September 2011**

The Directors present their report together with the audited financial statements and independent auditors' report for Jetix Consumer Products UK Limited (the 'Company'), for the year ended 30 September 2011

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006

### **Principal activity and business review**

Historically, the principal activity of the Company was that of a licensor of consumer products and home entertainment rights. In addition, the Company also acted as a sales agent for consumer products to third parties.

The Company will continue to operate in the foreseeable future until existing contracts expire or terminate but not enter into any new contracts.

### **Future developments and risk factors**

The Company has ceased all commercial activities bar the servicing of existing commercial contracts.

The Company's future performance could be affected by the following risk factors:

The Company depends on its ultimate parent company, The Walt Disney Company, for operational and other support. The Company's relationship with The Walt Disney Company is valuable to it.

The immediate parent company, Jetix Europe Properties has indicated its intention to continue to support the company for a period of twelve months from the date of approval of these financial statements, and therefore the Directors consider the financial statements should be prepared on a going concern basis to give a true and fair view.

### **Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and cashflow and fair value interest-rate risk.

#### **(a) Market risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the euro.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

As a result of the Company's exposure to foreign exchange risk, there has been a foreign exchange gain in the year of £26,043 (2010: £61,596).

#### **(b) Credit risk**

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Directors' report (continued)  
for the year ended 30 September 2011

*(c) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents

*(d) Cashflow and fair value interest rate risk*

The Company's interest rate risk arises from cash and cash equivalents. Cash invested at a variable rate exposes the Company to cashflow interest rate risk. Cash invested at fixed rates exposes the Company to fair value interest rate risk. At 30 September 2011, none of the Company's cash was invested in fixed term bank deposits.

*(e) Price Risk*

The Company is not exposed to significant commodity price risk.

**Results and dividends**

The loss for the year was £60,466 (2010 £ 193,453). The Directors are unable to recommend the payment of a dividend in respect of the year ended 30 September 2011 (2010 £nil).

**Directors**

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

Nigel Cook  
Peter Wiley

**Statement of Directors' responsibilities**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable laws 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). The financial statements are required by law to 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 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, in which case there should be supporting assumptions or qualifications as necessary.

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.

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 2011 and that applicable Accounting Standards have been followed. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' report (continued)  
for the year ended 30 September 2011

**Statement on disclosure of information to the auditors**

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- The Directors as on the date of signing the report have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**Disclosure requirements**

The Company has taken advantage of the small companies' exemption from section 417(1) and 384(1) of the Companies Act 2006 and therefore an enhanced business review and financial instruments disclosure has not been detailed in the Directors' report



Building 12, Chiswick Park  
566 Chiswick High Road  
London W4 5AN

On behalf of the Board  
Nigel Cook,  
**Director**  
25 November 2011

## **Independent auditors' report to the members of Jetix Consumer Products UK Limited**

We have audited the financial statements of Jetix Consumer Products UK Limited for the year ended 30 September 2011 which comprise the Profit and Loss Account, the Balance Sheet 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 set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its loss 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 Companies Act 2006

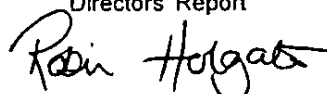
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Robin Holgate (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
25 November 2011

**Profit and loss account**  
for the year ended 30 September 2011

	Note	2011	2010
		£	£
<b>Turnover</b>	2	35,937	372,106
Administrative expenses		(103,299)	(550,743)
<b>Operating loss</b>	3	(67,362)	(178,637)
Interest receivable and similar income		7,065	640
Interest payable and similar charges		(169)	(38,377)
<b>Loss on ordinary activities before taxation</b>		(60,466)	(216,374)
Tax on loss on ordinary activities	6	-	22,921
<b>Loss for the financial year</b>	11	(60,466)	(193,453)

There are no recognised gains or losses for the years other than the loss for the financial years above. Accordingly no statement of recognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and their historical cost equivalents.

All the amounts stated above relate to continuing operations.

**Balance sheet**  
 (Registered Number 3036727)  
 as at 30 September 2011

	Note	2011 £	2010 £
<b>Current assets</b>			
Debtors	7	416	575,750
Cash at bank and in hand		<u>2,453,744</u>	<u>1,977,982</u>
		2,454,160	2,553,732
<b>Current liabilities</b>			
Creditors amounts falling due within one year	8	<u>(12,850)</u>	<u>(51,956)</u>
<b>Total assets less current liabilities</b>		2,441,310	(2,501,776)
Creditors amounts falling due after more than one year	9	<u>(3,000,000)</u>	<u>(3,000,000)</u>
<b>Net assets</b>		<u>(558,690)</u>	<u>(498,224)</u>
<b>Equity capital and reserves</b>			
Called-up share capital	10	102	102
Share premium	11	299,487	299,487
Profit and loss account	11	<u>(858,279)</u>	<u>(797,813)</u>
<b>Total shareholders' deficit</b>		<u>(558,690)</u>	<u>(498,224)</u>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 25 November 2011 and were signed on its behalf by



Nigel Cook  
 Director

The notes on pages 7 to 12 form an integral part of the financial statements



## Notes to the financial statement for the year ended

30 September 2011

### 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. The interest receivable and payable are presented gross in the current year. This reclassification has been reflected in the prior year profit and loss account.

#### *a) Going concern*

The immediate parent company, Jetix Europe Properties has indicated its intention to continue to support the company for a period of twelve months from the date of approval of these financial statements, and therefore the Directors consider the financial statements should be prepared on a going concern basis to give a true and fair view.

#### *b) Basis of accounting*

The financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom and under Companies Act 2006. There are no indications that amounts receivable or payable by the Company are not going to be received or paid and therefore support these statements being prepared on a going concern basis. For the year ended 30 September 2011 the Company has prepared its annual financial statements in accordance with UK GAAP.

Under the provisions of FRS 1 (Revised 1996) "Cashflow statements", the Company has not prepared a cashflow statement because The Walt Disney Company, a Company incorporated in the United States of America, has prepared publicly available consolidated financial statements which include the financial statements of the Company for the year and which contain a consolidated cash flow statement.

#### *c) Revenue recognition*

Revenue from home entertainment, licensing and merchandising agreements which provide for the receipt by the Company of non-refundable guaranteed amounts, are recognised when the licence or distribution period begins, the payments are due under the terms of the contract, collectability is reasonably assured and all performance obligations of the Company have been fulfilled. Amounts in excess of minimum guarantees under these agreements are recognised when earned. Amounts received in advance of recognition of revenue are recorded as deferred revenue.

Revenue is recorded net of Value Added Tax (VAT).

#### *d) Foreign currencies*

Transactions in foreign currencies are translated into sterling 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.

#### *e) Pensions*

The Company operates a defined contribution pension scheme under which it pays fixed contributions into publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in current and prior years. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## Notes to the financial statement for the year ended (continued)

30 September 2011

### 1 Principal accounting policies (continued)

#### *f) Related party transactions*

The Company has taken advantage of the exemption conferred by FRS 8 "Related party disclosures" not to disclose details of transactions with other members of The Walt Disney Company group or its investees since it is a wholly owned subsidiary undertaking of The Walt Disney Company whose consolidated financial statements are available to the public

#### *g) Taxation*

The charge for taxation is based on the result for the year and takes into account deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more taxation in the future or a right to pay less taxation in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements

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 from which the future reversal of the underlying timing differences can be deducted

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

#### *h) Advertising costs*

Advertising costs are expensed as incurred

### 2 Turnover

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

Analysis of turnover by geographical region

	2011 £	2010 £
UK	11,237	251,741
Rest of Europe	24,700	116,519
Rest of World	-	3,846
	<u>35,937</u>	<u>372,106</u>

## Notes to the financial statement for the year ended (continued)

30 September 2011

### 3 Operating loss

Operating loss is stated after charging/ (crediting)

	2011 £	2010 £
Auditors' remuneration		
- audit	11,091	15,899
Realised gain on foreign exchange	(26,043)	(61,596)
Staff costs (see note 4)	<u>51,743</u>	<u>272,817</u>

### 4 Staff costs

	2011 £	2010 £
Wages and salaries	51,743	193,227
Social security costs	-	65,324
Other pension costs	-	14,266
	<u>51,743</u>	<u>272,817</u>

	2011	2010
Average monthly number of employees during the year		
Consumer products	<u>-</u>	<u>3</u>

### 5 Directors emoluments

During the period, amounts paid to Directors in respect of their qualifying services to the Company were £nil (2010 £nil). The Directors are remunerated by The Walt Disney Company Limited, and details are available in the financial statements of that company.

# Notes to the financial statement for the year ended (continued)

30 September 2011

## 6 Tax on loss on ordinary activities

### (a) Analysis of tax charge in the year

	2011 £	2010 £
<b>Current tax</b>		
- Overseas tax	-	(22,921)
Total current tax (credit)/ charge	-	(22,921)
<b>Deferred tax</b>	-	-
Tax charge on loss on ordinary activities	-	(22,921)

### (b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2010 lower) than the standard rate of corporation tax in the UK for the year ended 30 September 2011 of 27% (2010 28%) The differences are explained below

	2011 £	2010 £
<b>Loss on ordinary activities before taxation</b>	(60,466)	(216,374)
Loss on ordinary activities multiplied by the standard rate 27% (2010 28%)	(16,326)	(60,585)
Expenses not deductible for tax	-	852
Other Permanent differences	(699)	-
Group relief	17,025	59,733
Unrelieved foreign taxes	-	(22,921)
Total current tax credit for the period	-	(22,921)

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010, which was substantially enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28% to 26% from 1 April 2011 Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum by 1 April 2014 These further changes had not been substantially enacted at the balance sheet date and therefore, have not been reflected in these financial statements The changes are not expected to materially impact the financial statements

# Notes to the financial statement for the year ended (continued)

30 September 2011

## 7 Debtors

	2011 £	2010 £
Trade debtors	-	183,710
Amounts owed by Group undertakings	-	392,040
VAT	416	-
	<u>416</u>	<u>575,750</u>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand

## 8 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts due to Group undertakings	1,759	35,385
Taxation and social security	-	672
Accruals and deferred income	11,091	15,899
	<u>12,850</u>	<u>51,956</u>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand

## 9 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Amounts due to Group undertakings	3,000,000	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>

## 10 Called-up share capital

	2011 £	2010 £
Authorised, Allotted and fully paid		
102 (2010 102) ordinary shares of £1 each	<u>102</u>	<u>102</u>

## Notes to the financial statement for the year ended (continued)

30 September 2011

### 11 Reconciliation of shareholders' deficit and movements on reserves

	Share premium	Share capital	Profit and loss account	Total
	£	£	£	£
At 1 October 2010	299,487	102	(797,813)	(498,224)
Loss for the financial year	-	-	(60,466)	(60,466)
At 30 September 2011	<u>299,487</u>	<u>102</u>	<u>(858,279)</u>	<u>(558,690)</u>

### 12 Ultimate parent company

The immediate parent undertaking is 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 largest and only 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 party transactions

The Company is a wholly owned subsidiary of Jetix Europe Properties S a r l whose ultimate parent undertaking and controlling party 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 12