

**Jetix Consumer Products UK Limited**

Annual report and financial statements  
for the year ended 30 September 2010

Registered number 3036727



Annual report and financial statements  
for the year ended 30 September 2010

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**Directors, Company secretary and auditors**  
**For the year ended 30 September 2010**

**Directors**

Nigel Cook

Peter Wiley

**Company secretary**

Nigel Cook

**Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

**Bankers**

JP Morgan Chase Bank

125 London Wall

London EC2Y 5AJ

**Solicitors**

Wiggin & Co

The Quadrangle

Imperial Square

Cheltenham

Gloucester GL50 1YX

**Registered Office**

Building 12, Chiswick Park

566 Chiswick High Road

London W4 5AN

## Directors' report

### For the year ended 30 September 2010

The Directors present their report together with the audited accounts and auditors' report for Jetix Consumer Products UK Limited (the 'Company') (registered number 3036727), for the year ended 30 September 2010

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 to expire or terminate but not writing 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 Inc, for operational and other support. The Company's relationship with The Walt Disney Company Inc is valuable to it

#### **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 £61,596 (2009 loss - £48,184)

##### *(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

##### *(c) Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents

## Directors' report

### For the year ended 30 September 2010

#### *(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 2010, 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 after taxation was £193,453 (2009: £370,137). The Directors are unable to recommend the payment of a dividend in respect of the year ended 30 September 2010 (2009: £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

### 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 gender, sexual orientation, age, marital status, disability, religion or ethnic origin.

### Statement of Directors' responsibilities

The directors are responsible for preparing the annual 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 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.

**Directors' report**  
**For the year ended 30 September 2010**

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 2010 and that applicable Accounting Standards have been followed.

**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**  
14 January 2011

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

We have audited the financial statements of Jetix Consumer Products Limited (the 'Company') for the year ended 30 September 2010 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 Statement of Directors' responsibilities set out on page 4 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 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.

### **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 2010 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 requirements of the Companies Act 2006.

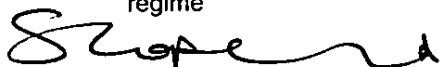
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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
- the Directors were not entitled to prepare the Director's report in accordance with the small company regime.



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

17 January 2011

**Profit and loss account**  
for the year ended 30 September 2010

	Note	2010	2009
		£	£
<b>Turnover</b>	2	372,106	3,504,318
Administrative expenses		(550,743)	(3,806,089)
<b>Operating loss</b>	3	(178,637)	(301,771)
Interest receivable and similar income		-	6,856
Interest payable and similar charges		(37,737)	(35,975)
<b>Loss on ordinary activities before taxation</b>		(216,374)	(330,890)
Tax on loss on ordinary activities	5	22,921	(39,247)
<b>Loss on ordinary activities for the period</b>	10	(193,453)	(370,137)

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.

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



Balance sheet  
as at 30 September 2010

	Note	2010 £	2009 £
<b>Current assets</b>			
Debtors and prepayments	6	575,750	1,248,716
Cash		<u>1,977,982</u>	<u>-</u>
		2,553,732	1,248,716
<b>Current liabilities</b>			
Creditors amounts falling due within one year	7	(3,051,956)	(1,369,854)
Bank overdraft		<u>-</u>	<u>(183,633)</u>
<b>Net current liabilities</b>		<u>(498,224)</u>	<u>(304,771)</u>
<b>Net liabilities</b>		<u>(498,224)</u>	<u>(304,771)</u>
<b>Equity capital and reserves</b>			
Called-up share capital	9	102	102
Share premium	10	299,487	299,487
Profit and loss account	10	<u>(797,813)</u>	<u>(604,360)</u>
<b>Total shareholders' deficit</b>		<u>(498,224)</u>	<u>(304,771)</u>

The accounts on pages 6 to 13 were approved by the Board of Directors on 14 January 2011 and were signed on its behalf by



Nigel Cook  
Director

## Notes to the financial statement for the year ended

30 September 2010

### 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 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. For the year ended 30 September 2010 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 accounts which include the accounts of the Company for the year and which contain a consolidated cash flow statement.

#### *b) Revenue recognition*

Revenues 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).

#### *c) 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.

#### *d) 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 periods. 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 2010

### 1 Principal accounting policies (continued)

#### *e) 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 accounts are available to the public

#### *f) Use of estimates*

The preparation of financial statements in conformity with UK GAAP requires the use of estimates and assumptions that affect amounts reported in the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates

#### *g) Financial Instruments*

##### *(1) Debtors*

Trade receivables are recognised initially at fair value less any provision for recoverability

##### *(2) Cash*

Cash comprises cash at bank and in hand, and bank overdrafts where there is a right of offset, which have a maturity of 90 days or less at date of acquisition

##### *(3) Creditors*

Trade payables are recognised initially at fair value based on the amounts exchanged

#### *h) Taxation*

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

Deferred taxation 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 taxation 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

#### *i) Advertising costs*

Advertising costs are expensed as incurred

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

30 September 2010

### 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

### 3 Operating loss

Operating loss is stated after charging

	2010 £	2009 £
Auditors' remuneration		
- audit	15,899	7,931
Restructuring Costs	-	388,000
Realised (gain)/ loss on foreign exchange	(61,596)	48,184
Staff costs (see note 4)	<u>272,817</u>	<u>760,112</u>

### 4 Staff costs

	2010 £	2009 £
Wages and salaries	193,227	641,383
Social security costs	65,324	83,342
Other pension costs	<u>14,266</u>	<u>35,387</u>
	<u>272,817</u>	<u>760,112</u>

	2010	2009 Number
Average monthly number of employees during the year		
Consumer products	<u>3</u>	<u>13</u>

During the period, amounts paid to Directors in respect of their qualifying services to the Company were £nil (2009 £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 2010

## 5 Tax on loss on ordinary activities

### (a) Analysis of tax charge in period

	2010	2009
	£	£
Current tax		
- Overseas tax	(22,921)	34,854
Total current tax (credit)/ charge	<u>(22,921)</u>	<u>34,854</u>
Deferred tax ( see note 8)	-	4,393
Tax charge on ordinary activities	<u>(22,921)</u>	<u>39,247</u>

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

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

	2010	2009
	£	£
<b>(Loss) on ordinary activities before taxation</b>	<b>(216,374)</b>	<b>(330,890)</b>
Loss per ordinary activities multiplied by the standard rate 28% (2009 28%)	(60,585)	(92,649)
Expenses not deductible for tax	852	2,492
Group relief	59,733	90,157
Unrelieved foreign taxes	(22,921)	34,854
Current tax charge for the period	<u>(22,921)</u>	<u>34,854</u>

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014 The further proposed changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

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

30 September 2010

## 6 Debtors and prepayments

	2010 £	2009 £
Trade debtors	183,710	966,403
Amounts owed by Group undertakings	392,040	256,005
Prepayments and accrued income	-	26,308
	<u>575,750</u>	<u>1,248,716</u>

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

## 7 Creditors amounts falling due within one year

	2010 £	2009 £
Trade creditors	-	1,385
Amounts due to Group undertakings	3,035,385	526,408
Taxation and social security	672	81,167
Accruals and deferred income	15,899	760,894
	<u>3,051,956</u>	<u>1,369,854</u>

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

## 8 Deferred tax asset

	2010 £	2009 £
Capital allowances	<u>-</u>	<u>-</u>
Deferred tax asset at the start of the period	-	4,393
Movement in the period	<u>-</u>	<u>(4,393)</u>
Deferred tax asset at the end of the period	<u>-</u>	<u>-</u>

The Company has available capital allowances of £16,000 (2009 £20,000) Due to the cessation of most of the commercial activity of this Company, the timing difference is not expected to reverse and accordingly no asset has been recognised

## 9 Called-up share capital

	2010 £	2009 £
Authorised, allotted and fully paid		
102 ordinary shares of £1 each	<u>102</u>	<u>102</u>

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

30 September 2010

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

	Share premium	Share capital	Profit and loss account	Total
	£	£	£	£
At 1 October 2009	299,487	102	(604,360)	(304,771)
Loss for the financial year	-	-	(193,453)	(193,453)
At 30 September 2010	<u>299,487</u>	<u>102</u>	<u>(797,813)</u>	<u>(498,224)</u>

### 11 Other financial commitments

#### *Pensions commitments*

The Company operates a defined pension contribution scheme for certain employees. There are no unpaid contributions outstanding at the year end (2009 – £nil)

### 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 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