Jetix Europe Limited

Annual report and financial statements
for the year ended 30 September 2008

Registered number: 3250589

Annual report and financial statements for the year ended 30 September 2008

Contents

Directors, company secretary and auditors for the year ended 30 September 2008

Directors	Olivier Spiner Oliver Fryer Dene Stratton John Hardie
Company secretary	Oliver Fryer
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Registered 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	Chiswick Park, Building 12, 566 Chiswick High Road London W4 5AN

Directors' report

For the year ended 30 September 2008

The Directors present their report and the audited financial statements of Jetix Europe Limited (the 'Company'), for the year ended 30 September 2008.

Principal activities and review of the business

The Company's principal activity during this financial year was the operation of children's television channels.

The Company's results for the year were primarily influenced by rate reductions in a limited number of markets partially offset by increases in the number of subscribers in Central Eastern European and advertising revenue growth in the Central Eastern European market. The Company's results for the period were also affected by the end of an office rental rebate period, an increase in the share based compensation and costs related to a new channel distribution deal.

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

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 cash flow interest-rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(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 loss in the year of £0.1 million (2007: £0.2 million profit). Management continuously monitors the Company's exposure to foreign exchange risk.

(b) Credit risk

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

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. In order to optimise cash management, the Company's cash is managed by a central Group Treasurer under a service agreement. The Group maintains investments with terms of less than 90 days to ensure sufficient funds are available for operations and therefore there is minimal exposure to liquidity risk.

(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 cash flow interest rate risk. Cash invested at fixed rates exposes the Company to fair value interest rate risk. At September 30, 2008, none of the Company's cash was invested in fixed term bank deposits. The

Company participates in the Groups cash pooling system which facilitates optimised cash management for the Group and seeks to maximise net interest income.

(e) Price Risk
The Company is not exposed to significant commodity price risk.

Results and dividends

The loss after taxation for the year ended 30 September 2008 amounted to £1,646,000 (2007: £2,467,000 profit).

The Directors do not recommend the payment of a dividend (2007: £nil).

Future developments and principal risk and uncertainties

The Company will continue to promote its principal activity as well as developing multiple points of contact with its audience. The Company is also exploiting new platforms for content delivery and adding to the mix of business models across its activities.

On 8 December 2008, The Walt Disney Company Inc. ("Disney") announced its intention to acquire the remaining shareholding of Jetix Europe N.V., the parent Company in which the Company's financial statements are consolidated. At 26 February 2008, Disney had increased its shareholding to 99.8%. Jetix Europe N.V.'s listing was terminated from the Euronext stock exchange on 27 February 2009. A range of options are currently being evaluated with respect to the future operations of the Company. However, no firm decision has yet been made and consequently the financial impact of the acquisition of the remaining shareholding by Disney cannot be quantified.

The Company's future performance could be affected by the following risk factors:
Competition for viewers and ratings could reduce the Company's channel revenues and profitability. The multi-channel television broadcast business is highly competitive. The Company competes for viewers, ratings and related advertising revenues in each of the territories where it broadcasts our channels.

Distribution of the Company's channels is highly competitive and this may limit its growth plans or result in a decrease in its revenues.

The expansion of digital distribution in the Company's markets may increase competition for viewers, ratings and related advertising revenues. An increasing number of channels will increase competition among channels for viewers and advertisers. Significant declines in ratings could affect the Company's ability to attract advertising and new distribution, and could therefore materially and adversely affect the Company's results of operations and financial condition.

The Company depends on its ultimate parent Company, Disney, for operational and other support and is involved in ventures which make use of some Disney generated content. The Company's relationship with Disney is valuable to it.

The Company depends upon satellite transponders to broadcast its channels. It relies on a number of satellites to broadcast its channels. To date, it has not experienced any significant disruption of its broadcast transmissions. However, satellites are subject to significant risks that may prevent or impair proper commercial operations.

The Company depends on key executives and personnel. Its success depends greatly upon the expertise and continued service of certain key executives and personnel.

Foreign currency exchange rate fluctuations may cause financial losses. Changes in foreign currency exchange rates can reduce the value of the Company's assets and revenues and increase the Company's liabilities and costs.

Directors and their interests

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

Olivier Spiner
Oliver Fryer
Dene Stratton
Paul Taylor (resigned 16 February 2009)
John Hardie (appointed 16 February 2009)

The interests of all the Directors, who are also Directors of the parent Company, Jetix Europe N.V. are shown in the annual review and financial statements of that company.

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

Company law requires the Directors to prepare financial statements 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 financial year.

In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' report (continued)

For the year ended 30 September 2008

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 2008 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 have taken all the steps that they ought to have 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

Independent auditors

The 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.

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

On behalf of the Board

Dene Stratton
Director
2 March 2009

Independent auditors' report to the members of Jetix Europe Limited

We have audited the financial statements of Jetix Europe Limited (the 'Company') for the year ended 30 September 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP 2 March 2009

Chartered Accountants and Registered Auditors.

1 Embankment Place

London

WC2N 6RH

Profit and loss account

For the year ended 30 September 2008

	Notes	2008 £'000	2007 £'000
Turnover	3	27,477	29,344
Operating expenses		(29,645)	(26,400)
Operating (loss)/profit	4	(2,168)	2,944
Dividend income		683	356
Interest receivable and similar income		136	14
Interest payable and similar charges		(244)	(847)
(Loss)/profit on ordinary activities before taxation		(1,593)	2,467
Tax on (loss)/profit on ordinary activities	7	(53)	-
(Loss)/profit for the financial year	13	(1,646)	2,467

There are no material differences between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the year stated above and their historical cost equivalents.

All the amounts stated above relate to continuing operations.

A statement of movements on reserves is provided in note 13.

The accompanying notes on pages 10 to 25 are an integral part of these financial statements.

Statement of total recognised gains and losses
for the year ended 30 September 2008

	2008 £'000	2007 £'000
(Loss)/profit for the financial year	(1,646)	2,467
Total recognised gains and losses relating to the year	(1,646)	2,467
Prior year adjustment for adoption of FRS 20	-	(6,905)
Total recognised gains and losses since last annual report	(1,646)	(4,438)

The accompanying notes on pages 10 to 25 are an integral part of these financial statements.

Balance sheet
as at 30 September 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Intangible assets	8	342	349
Tangible assets	9	343	249
Investment in subsidiaries	10	822	822
		1,507	1,420
Current assets			
Debtors	11	9,914	22,540
Cash		1,991	-
		11,905	22,540
Creditors: amounts falling due within one year	12	(5,445)	(14,609)
Net current assets		6,460	7,931
Total assets less current liabilities		7,967	9,351
Net assets		7,967	9,351
Capital and reserves			
Called-up share capital	13	5,951	5,951
Share premium	13	53,858	53,858
Profit and loss account	13	(51,842)	(50,458)
Total shareholders' funds		7,967	9,351

The financial statements on pages 7 to 25 were approved by the Board of Directors on 2 March 2009 and signed on its behalf by:

Dene Stratton
Director

The accompanying notes on pages 10 to 25 are an integral part of these financial statements.

1 Principal accounting policies

The principal accounting policies are summarised below. They have all been consistently applied throughout the current year and the preceding year.

a) Basis of preparation

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 1985. For the year ended 30 September 2008 the Company has prepared its annual financial statements in accordance with UK GAAP. The Directors consider that the going concern is appropriate as Jetix Europe N.V. has confirmed it will provide continuing financial support to enable the Company to meet its obligations as they become due for payment.

The financial statements contain information about Jetix Europe Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings and joint ventures are included by full consolidation in the consolidated financial statements of its parent, Jetix Europe N.V., a Company registered in the Netherlands.

Under the provisions of FRS 1 (Revised) "Cash flow statements", the Company has not prepared a cash flow statement because Jetix Europe N.V., a Company incorporated in the Netherlands, has prepared publicly available consolidated financial statements which include the financial statements of the Company for the financial year and which contain a consolidated cash flow statement.

The preparation of financial information in conformity with UK GAAP requires management to make certain judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The key accounting estimates and judgements are explained in Note 2. There are certain areas of complexity which require a higher degree of judgement. These areas include amortisation and impairment of intangible assets, revenue recognition, accounting for employee share-based compensation plans, provisions, allowances for doubtful accounts, and deferred taxation.

b) Revenue recognition

Subscriber fees receivable from cable operators and Direct-to-home (DTH) broadcasters are generally recognised as revenue over the period for which the channels are provided and to which the fees relate. Subscriber revenue is recognised as contracted generally based upon the level of subscribers. Television advertising revenue is recognised as the commercials are aired. In certain countries, the Company commits to provide advertisers with certain rating levels in connection with their advertising. Revenue is recorded net of estimated shortfalls, which are usually settled by providing the advertiser additional advertising time. The revenue related to the shortfall, calculated based on the additional advertising to be provided, is deferred and released when the advertising has been fulfilled. Barter revenues, represent the receipt of services in exchange for advertising time on a television station. The fair value of the advertising surrendered is determinable based on the Company's own historical practice of receiving cash or other consideration that is readily convertible to a known cash amount for similar advertising from buyers unrelated to the counterparty in the barter transaction.

1 Principal accounting policies (continued)

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 have been dealt with in the profit and loss account for the year.

d) Advertising costs

Advertising costs are expensed as incurred.

e) Leasing and hire purchase commitments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

f) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of accumulated 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 and software	- 3 years
Fixtures and fittings	- up to 10 years

g) Intangible assets

Dubbing costs consist of the cost incurred to change the language of a programme to something other than the original language of the programme, and are stated at cost less accumulated amortisation and impairment.

Dubbing acquired from third parties is amortised in line with consumption of the programme asset to which they relate, usually for periods of four to five years. Acquired dubbing costs and related liabilities are recorded when the licence period of the programme that the dubbing relates to begins and the programme is available for use.

If the recoverable amount from a programme and its related dubbing costs is less than its carrying amount, an impairment loss is taken to reduce the carrying amount of the dubbing costs to its recoverable amount.

h) 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.

1 Principal accounting policies (continued)

i) 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.

j) 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.

(4) Investments

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

k) Share capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l) Taxation

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

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 then 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.

1 Principal accounting policies (continued)

m) Share-based compensation

Jetix Europe Ltd employees have been granted stock options under the Jetix Discretionary Stock Option Scheme operated by Jetix Europe N.V., a Group Company. It is an equity-settled, share-based compensation plan, which includes both share options and restricted shares. The fair value of the awards are measured at the date of grant and expensed on a straight-line basis over the vesting period, net of the fair value of those awards not expected to become exercisable.

At each balance sheet date, the estimate of the number of share options that are not expected to become exercisable are revised. The impact of the revision of the original estimate, if any, is recognised in the profit and loss account for the year, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to the share capital (nominal value) and share premium of Jetix Europe N.V. when the options are exercised.

Under the plan the restricted shares shall be paid in cash or in shares (or some combination of both) as determined by Jetix Europe N.V. in its discretion at the time of payment. Although the Group has no legal or constructive obligation to settle the restricted shares in cash, the Management Board of Jetix Europe N.V. has agreed that all restricted shares will be settled in cash. The fair value of the employee services received in exchange for the grant of the restricted shares is recognised as an expense. At each balance sheet date, and ultimately at the settlement date, the fair value of the liability is re-measured with any changes in fair value recognised in the profit and loss account for the year. The total net cost recognised in respect of the transaction will be the amount paid to settle the liability.

For any share-based compensation settled by the issuance of equity instruments of the parent company, the Company records an expense and a corresponding increase in equity as a contribution from the parent.

2 Key accounting estimates and judgements

In order to prepare the Company's financial statements in conformity with UK GAAP, management of the Company has to make estimates and judgements. The matters described below are considered to be the most important in understanding the judgements that are involved in preparing the statements and the uncertainties that could impact the amounts reported on the results of the preparation, financial condition and cashflow. Company accounting policies are described in Note 1.

a) Provisions and accruals

Provisions and accruals are recognised in the period it becomes probable that there will be a future outflow of funds resulting from past operations or events which can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which can be subject to change.

Estimates of the amounts of provisions recognised can differ from actuals. The carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes. A change in estimate of a recognised provision would result in a change or credit to income in the period in which the change occurs.

2 Key accounting estimates and judgements (continued)

b) Revenue recognition

The Company recognises subscription revenue based on the numbers of subscribers to the channel operators. The number of subscribers is variable based on cancellations and new customers to the channel operators over the course of a financial year. Subscriber information is obtained from the channel operators approximately one month in arrears. As a result the Company estimates subscription revenues based on the prior month's subscription figures supplied by the channel operators.

c) Income taxes

The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

d) *Share-based compensation*

Share-based compensation expense is estimated on the grant date using a Black-Scholes option-pricing model. Future expense amounts for any particular quarterly or annual period could be affected by changes in management's assumptions or changes in market conditions.

e) *Functional currency*

Each of the Company's subsidiaries and joint ventures has transactions in a number of different currencies. Management makes an assessment of the currency of the primary economic environment in which the entity operates to determine the functional currency of the entity.

3 Turnover and segmental analysis

Turnover represents amounts receivable in respect of the principal activity, net of VAT and other sales-related taxes.

Business segments

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 (2007: one) market, Channels, for the purposes of disclosing the particulars of turnover in these financial statements.

Geographical segments

Analysis of Turnover by geographical segments:	2008 £'000	2007 £'000
UK	8,618	13,254
Rest of world	18,859	16,090
Total	27,477	29,344

Notes to the financial statements (continued)
30 September 2008

4 Operating (loss)/profit
This is stated after charging:

	2008	2007
	£'000	£'000
Staff costs (see note 5)	11,365	9,986
Depreciation (see note 9)	119	363
Amortisation (see note 8)	250	131
Auditors' remuneration	19	25
Realised loss on foreign exchange	183	183
Operating lease rentals		
- plant and machinery	5,987	5,489
- other	2,186	2,682

5 Staff costs

	2008 Number	2007 Number
Average number of employees (including Directors) during the year:		
Channels and Online	102	99
Administration	38	40
	140	139

	2008	2007
	£'000	£'000
Wages and salaries	10,115	8,622
Social security costs	1,058	1,125
Pension contributions	192	239
	11,365	9,986

6 Directors' emoluments

The remuneration of the Directors in respect of services to the Company was as follows:

	2008 £'000	2007 £'000
Aggregate emoluments	1,569	1,514
Gains made on exercise of share options	57	1,647
Company contributions to money purchase pension schemes	47	44
	1,673	3,205

The above amounts include £587,000 of emoluments, £33,000 of gains made on exercise of share options and £21,600 of pension contributions to many purchase schemes (2007: £555,000 emoluments, £610,000 of gains made on exercise of share options and £19,800 pension contribution) in respect of the highest paid Director. Three Directors (2007: three) have retirements benefits accruing under money purchase pension schemes. Two (2007: Four) of the Directors exercised share options during the year. Refer to note 14 for details.

7 Tax on (loss)/profit on ordinary activities

(a) Analysis of tax charge in period

At 30 September 2008 the Company has not made a profit chargeable to corporation tax and hence there is no UK corporate tax charge (2007: £nil).

	2008 £'000	2007 £'000
Current tax		
- Overseas tax	53	-
Total charge on ordinary activities	53	-

(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 (29%). The differences are explained below:

	2008 £'000	2007 £'000
(Loss)/profit before taxation	(1,593)	2,467
(Loss)/profit per ordinary activities multiplied by the standard rate - 29% (2007 – 30%)	(462)	740
Expenses not deductible for tax	164	(385)
Tax losses and other timing differences	68	(394)
Group relief surrendered for no consideration	230	39
Unrelieved foreign taxes	53	-
Current tax charge for the period	53	-

The Company has tax losses carried forward and capital allowances carried forward of £41,991,000 (2007 : £41,860,000) and £4,444,000 (2007 : £4,444,000) respectively for which a deferred tax asset has not been recognised as there is not sufficient certainty of them being utilised.

The standard rate of corporation tax in the UK is 28% as at 1 April 2008.

8 Intangible assets

	Dubbing costs £'000
Cost	
At 1 October 2007	876
Additions	243
At 30 September 2008	1,119
Accumulated amortisation	
At 1 October 2007	527
Charge for the year	250
At 30 September 2008	777
Net book value	
At 30 September 2007	349
At 30 September 2008	342

There were no triggering events resulting in impairment of the carrying value of the dubbing cost assets.

9 Tangible assets

	Fixtures and fittings £'000	Computer equipment and software £'000	Total £'000
Cost			
At 1 October 2007	362	1,725	2,087
Additions	9	204	213
Disposals	(114)	(558)	(672)
At 30 September 2008	257	1,371	1,628
Accumulated depreciation			
At 1 October 2007	194	1,644	1,838
Charge for the year	42	77	119
Disposals	(114)	(558)	(672)
At 30 September 2008	122	1,163	1,285
Net book value			
At 30 September 2007	168	81	249
At 30 September 2008	135	208	343

10 Investments

	2008 £'000	2007 £'000
Cost and net book value	822	822

The Company has investments in the following subsidiary undertakings and joint ventures:

Subsidiary undertaking and joint ventures	Country of incorporation	Date of incorporation	Principal activity	Equity interest
Jetix Espana S.L.	Spain	24 June 1999	Children's television channel	50%
Jetix Italy S.r.l	Italy	10 February 2000	Children's television channel	69.2%
Jetix Entertainment Limited	UK	5 June 2000	Children's online and interactive activities	100%
Jetix Entertainment Services EPE	Greece	26 February 2002	Children's television channel	99%

11 Debtors

	2008 £'000	2007 £'000
Trade debtors	1,691	1,351
Other taxation and social security	327	494
Due from Group undertakings	6,486	18,172
Prepayments and accrued income	1,410	2,523
	9,914	22,540

Amounts due from Group undertakings are payable on demand.

The carrying value of trade, other and related party debtors approximate to fair value.

12 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Bank overdraft	-	10,177
Trade creditors	985	805
Due to Group undertakings	786	1,192
Accruals and deferred income	3,674	2,435
	5,445	14,609

Amounts due to Group undertakings are payable on demand.

The carrying value of trade, other and related party creditors approximate to fair value.

13 Called-up share capital and reserves

	2008 £'000	2007 £'000
Ordinary £1 equity shares:		
10,000,000 authorised	10,000	10,000
5,951,000 (2007: 5,951,000) allotted, called up and fully paid	5,951	5,951

	Called-up share capital £' 000	Share premium £' 000	Profit and loss account £' 000	Total £' 000
At 1 October 2007	5,951	53,858	(50,458)	9,351
Profit for the financial year	-	-	(1,646)	(1,646)
Share option disbursement[1]	-	-	(89)	(89)
Employee Share Option Scheme:				
Fair value of employee services	-	-	351	351
At 30 September 2008	5,951	53,858	(51,842)	7,967

[1] The share option disbursement comprises the amount paid / payable upon the exercise of employee share options by employees of the Company. This amount represents the difference between the market price of the share payable by the Company to the employee and the amount of exercise price paid / payable to the Company by the employees exercising the share options at the date of exercise.

14 Share-based payments

Jetix Europe Ltd employees have been granted stock options under the Jetix Discretionary Stock Option Scheme operated by Jetix Europe N.V. Jetix Europe N.V. may grant options to acquire shares to personnel at exercise prices equal to or exceeding the market price at the date of grant. Options vest equally over a four-year period from the date of grant and expire ten years after the date of grant. Jetix Europe N.V. has no legal or constructive obligation to repurchase or settle the options in cash. Movements in the number of Jetix share options outstanding and their related weighted average exercise prices are as follow:

	2008 Weighted average exercise price in Euro per share	**Options**	**2007 Weighted average exercise price in Euro per share**	**Options**
At 1 October	12.90	38,250	6.85	267,519
Exercised	12.31	(20,750)	5.84	(229,269)
At 30 September	13.59	17,500	12.90	38,250

No share options were granted or forfeited during the year ended 30 September 2008 (2007: None).

14 Share-based payments (continued)

Jetix share options outstanding at the end of the year have the following terms:

	Outstanding			Exercisable	
Exercise prices - Euro	**Number of options**	**Weighted average remaining years of contractual life**	**Weighted average exercise price in Euro per share**	**Number of options**	**Weighted average exercise price in Euro per share**
13.59	17,500	6.36	13.59	-	-

The weighted average share price of Jetix options exercised during the year was €18.02 (2007: €17.28).

The movement in issued Jetix options during the year to 30 September 2008 classified by exercise price is as follows:

Exercise price – Euro	**Outstanding at 1 October 2007**	**Awards exercised**	**Outstanding at 30 September 2008**
13.59	35,000	(17,500)	17,500
5.43	3,250	(3,250)	-
	38,250	(20,750)	17,500

There were no awards forfeited during the year ended 30 September 2008.

Certain Jetix Europe Limited employees have also been granted restricted shares. Details of the restricted shares activity is as follows:

	2008 Number of restricted shares	**2007 Number of restricted shares**
At 1 October	90,105	35,000
Granted	49,901	73,735
Forfeited	(11,373)	(1,130)
Exercised	-	(17,500)
At 30 September	128,633	90,105

Fiscal year of vesting for restricted shares outstanding at 30 September 2008	**Number of restricted shares**
2009	49,799
2010	23,268
2011	32,298
2012	23,268

The restricted stock, issued during 2005, 2007 and 2008, vest in two equal parts at 24 months and 48 months from the grant date, respectively. There are no performance conditions attached to the issue.

The liability related to the restricted shares at 30 September 2008 is £0.9 million (2007: £0.3 million).

14 Share-based payments (continued)

In addition to the Jetix Europe NV operated schemes, employees of the Company have also been granted stock options under the Disney stock incentive plan. Certain employees of the Company may be granted options to acquire shares of stock in Disney, at exercise prices equal to or exceeding the market price at the date of grant. Options vest equally over a four-year period from the date of grant and expire seven to ten years after the date of grant. The options are settled using the equity instruments of Disney. Movements in the number of Disney share options outstanding and their related weighted average exercise prices are as follows:

	2008 Weighted average exercise price in US$ per share	Options	2007 Weighted average exercise price in US$ per share	Options
At 1 October	32.20	106,580	26.66	43,000
Granted	30.77	58,442	33.83	85,910
Forfeited	33.61	(15,465)	34.27	(2,650)
Exercised	26.19	(14,250)	26.92	(19,680)
At 30 September	32.05	135,307	32.20	106,580

Disney share options outstanding at the end of the year have the following terms:

Exercise prices - USD	Number of options	Outstanding Weighted average remaining years of contractual life	Weighted average exercise price in US$ per share	Exercisable Number of options	Weighted average exercise price in US$ per share
20.00 – 24.99	4,000	4.28	24.87	-	-
25.00 – 29.99	54,545	6.22	29.42	340	28.04
30.00 – 39.99	76,762	5.32	34.26	-	-

The weighted average share price of Disney options exercised during the year was US $31.92 (2007: US $26.91).

Valuation assumptions:

The valuation assumptions used to estimate the Company's share-based compensation expense for the share option plans are summarised below.

In 2008 and 2007 the fair value of the Jetix share option charge was estimated using a Black-Scholes option-pricing model and used the following assumptions:

14 Share-based payments (continued)

	2008	2007
Risk free interest rate	3.00%	3.75%
Expected years from grant until exercise	1 – 4	1 – 4
Expected stock volatility	30.00%	52.44%
Dividend yield	0%	0%

Volatility is based on the Jetix Europe N.V. share price over a period of 260 days prior to the grant date.

In 2008 and 2007 the fair value of the Disney share options granted was estimated using a Black-Scholes valuation model and used the following assumptions:

	2008	2007
Risk free interest rate	3.67%	4.56%
Expected years from grant until exercise	4.70	4.29
Expected stock volatility	28.94%	26.01%
Dividend yield	1.02%	0.79%

In 2008 and 2007 the fair value of the Disney share option charge was estimated using a Black-Scholes valuation model and used the following assumptions:

	2008	2007
Risk free interest rate	4.30%	4.47%
Expected years from grant until exercise	4.62	4.39
Expected stock volatility	27.48%	27.70%
Dividend yield	0.85%	0.79%

Volatility is based on the Disney share price over a period of seven years prior to the grant date.

Under the Disney plan, certain employees of the Company have also been granted restricted shares. The restricted shares are settled using the equity instruments of Disney.

Details of Disney restricted shares are as follows:

	Number of restricted shares 2008
At 1 October	9,262
Granted	20,131
Forfeited	(841)
Exercised	(4,217)
At 30 September	24,335

Fiscal year of vesting for restricted shares outstanding at 30 September 2008	Number of restricted shares
2009	2,422
2010	11,142
2011	2,013
2012	8,758

14 Share-based payments (continued)

Restricted shares issued during 2008 generally vest 50% on each of the second and fourth anniversaries of the grant date. Restricted shares are generally forfeited by employees who terminate prior to vesting. Certain restricted shares vest based upon the achievement of certain market and/or performance conditions. Compensation expense for restricted shares is recognised over the vesting period and is based upon the market price for shares underlying the awards on the grant date. Compensation expense for performance-based awards reflects the estimated probability that the market and/or performance conditions will be met.

The total share based compensation charge recognised for the year ended 30 September 2008 was £1.0 million (2007: £0.6 million), comprising of a share option charge of £0.3 million (2007: £0.3 million), of which £0.3 million relates to Disney options (2007: £0.2 million), and restricted share charge of £0.7 million (2007: £0.3 million).

15 Guarantees and other financial commitments

Lease commitments

At 30 September 2008 the Company was committed to make the following payments during the next year in respect of operating leases:

	2008		2007	
	Plant and machinery	Other	Plant and machinery	Other
Operating leases which expire:	£'000	£'000	£'000	£'000
Within one year	6,568	2,249	5,583	2,663
In two to five years	1,140	-	5,394	1,434
After five years	-	-	-	-
	7,708	2,249	10,977	4,097

Pensions commitments

The Company operates a defined contribution scheme for certain employees. There are no unpaid contributions outstanding at 30 September 2008 (2007: £nil).

16 Ultimate parent company

The Company is a subsidiary undertaking of Jetix Europe Channels B.V., a company incorporated in the Netherlands.

The ultimate parent company is The Walt Disney Company Inc. ("Disney"), 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., Bergweg 50, 1217 SC, 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.

17 Related parties

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 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.

18 Post balance sheet events

On 8 December 2008, The Walt Disney Company Inc. ("Disney") announced its intention to acquire the remaining shareholding of Jetix Europe N.V., the parent Company in which the Company's financial statements are consolidated. At 26 February 2008, Disney had increased its shareholding to 99.8%. Jetix Europe N.V.'s listing was terminated from the Euronext stock exchange on 27 February 2009. A range of options are currently being evaluated with respect to the future operations of the Company. However, no firm decision has yet been made and consequently the financial impact of the acquisition of the remaining shareholding by Disney cannot be quantified.

On 24 December 2008 an agreement was made with Sogecable S.A. for Jetix Europe Limited's parent Company, Jetix Europe Channels B.V., to purchase the remaining 50% interest in Jetix Espana S.L. Jetix Europe Channels B.V. agreed to pay Sogecable S.A. €4,000,000.