

Jetix Europe Limited

(Registered Number: 3250589)

**Directors' report and financial statements
for the year ended 30 September 2013**

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Jetix Europe Limited

Directors' report for the year ended 30 September 2013

The Directors present their report and the audited financial statements of Jetix Europe Limited (the 'Company') for the year ended 30 September 2013.

Principal activities, review of the business and future developments

Historically, the Company's principal activity was the operation of children's television channels.

On 1 October 2009, the Company's trade and assets were sold to The Walt Disney Company Limited and all trading contracts have been transferred accordingly. The sale to The Walt Disney Company Limited was effected by means of an interest bearing loan note that enables the Company to meet its liabilities into the future. The Company's current and continuing principal activity is a holding company, and will continue to operate in the foreseeable future and therefore continues to be a going concern.

Future developments and principal risk and uncertainties

The Company ceased trading on 1 October 2009 upon the sale of the Company's trade and assets to The Walt Disney Company Limited.

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

Foreign currency exchange rate fluctuations may cause financial losses. Changes in foreign currency exchange rates can reduce the value of the Company's assets. As a result of the Company's exposure to foreign exchange risk, there has been a realised profit on foreign exchange in the year of £1,749,000 (2012: Loss £5,596,000). Management continuously monitors the Company's exposure to foreign exchange risk.

Results and dividends

The profit after taxation for the year ended 30 September 2013 amounted to £12,945,000 (2012: Loss £933,000). During the year, dividend income totalling £3,602,000 (2012: £nil) was received and £4,560,000 (2012: £nil) was realised from the waiver of a buy-back option of an interest previously held in Jetix Europe S.r.l.. In addition, a tax credit was received which relates to a refund of prior year payments from ESPN (Europe, Middle East, Africa) Limited (£1,994,000) offset by the reversal of prior period accruals for group relief receipts to other UK group companies (£309,000) due to a change in company policy.

The Directors do not recommend the payment of a dividend (2012: £nil).

Key performance indicators ("KPIs")

As the Company's principal activity is a holding company, the Company's Directors are of the opinion that using financial KPIs such as turnover and operating profit are not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The Company is a holding company, and therefore is not considered to be exposed to significant financial risks. Financial risks, such as foreign exchange, are managed by the ultimate parent company. The Company is also subject to LIBOR interest rate changes.

Directors

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

P Wiley
N Cook

There was no qualifying third party indemnity provision in force, for the benefit of any of the Directors, at any time during the financial year.

Jetix Europe Limited

Directors' report for the year ended 30 September 2013 (continued)

Statement of Directors' responsibilities

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

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

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

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

Disclosure of information to auditors

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board on 19 May 2014



N Cook
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London W6 9PE

Jetix Europe Limited

Independent auditors' report to the members of Jetix Europe Limited for the year ended 30 September 2013

We have audited the financial statements of Jetix Europe Limited for the year ended 30 September 2013 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 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 in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Jetix Europe Limited

Independent auditors' report to the members of Jetix Europe Limited for the year ended 30 September 2013 (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Nicholas Smith (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 May 2014

Jetix Europe Limited

Profit and Loss Account for the year ended 30 September 2013

	Note	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Administrative expenses		1,673	(5,643)
Operating profit/(loss)	2	1,673	(5,643)
Profit on sale of an investment	3	4,560	-
Income from shares in group undertakings	4	3,602	-
Interest receivable and similar income	5	3,777	4,409
Profit/(loss) on ordinary activities before taxation		13,612	(1,234)
Tax on profit/(loss) on ordinary activities	7	(667)	301
Profit/(loss) for the financial year	13	12,945	(933)

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

All these amounts stated above relate to continuing operations.

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented.

Jetix Europe Limited

Balance Sheet as at 30 September 2013

(Registered number 3250589)

	Note	As at 30 September 2013 £'000	As at 30 September 2012 £'000
Fixed assets			
Investments	8	427	426
Current assets			
Cash and cash equivalents		19,650	9,943
Debtors: amounts falling due within one year	9	2,837	306
Debtors: amounts falling due after more than one year	10	142,694	140,945
		165,181	151,194
Creditors: amounts falling due within one year	11	(2,362)	(1,320)
Net current assets		162,819	149,874
Total assets less current liabilities		163,246	150,301
Net assets		163,246	150,301
Capital and reserves			
Called up share capital	12	-	-
Other reserves	13	59,809	59,809
Profit and loss account	13	103,437	90,492
Total shareholders' funds	13	163,246	150,301

The financial statements on pages 6 to 13 were approved by the Board of Directors on 19 May 2014 were signed on its behalf by:



N Cook
Director

19 May 2014

Jetix Europe Limited

Notes to the Financial Statements for the year ended 30 September 2013

1 Accounting policies

The financial statements are prepared in accordance with the Companies Act 2006, the special provisions of Part 15 of the Companies Act 2006 relating to small companies and applicable accounting standards in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

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. 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 2013 the Company has prepared its annual financial statements in accordance with UK GAAP.

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 a wholly owned subsidiary of a group headed by The Walt Disney Company and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company is exempt under section 401 of the Companies Act 2006 from preparing consolidated financial statements.

Under the provisions of FRS 1 (Revised) "Cash flow statements", the Company has not prepared a cash flow 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 financial year and which contain a consolidated cash flow statement.

b) 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 financial year.

c) Taxation

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

d) Investment policy

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been indication of potential impairment.

Jetix Europe Limited

Notes to the Financial Statements for the year ended 30 September 2013 (continued)

2 Operating Profit/(Loss)

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Operating profit/(loss) is stated after charging/ (crediting):		
Auditors' remuneration - audit	11	11
Realised (profit)/loss on foreign exchange	(1,749)	5,596
	<hr/>	<hr/>

The Company has no employees (2012: nil).

3 Profit on sale of an investment

On 21 January 2013 the company received £4,560,000 relating to a waiver of a buy-back option of an interest previously held in Jetix Europe S.r.l.

4 Income from shares in group undertakings

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Dividends received	3,602	-
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On the 19 June 2013, a dividend of £3,602,000 was received from Jetix Entertainment Limited.

5 Interest receivable and similar income

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Interest receivable on intercompany loans	3,777	4,409
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6 Directors' emoluments

The Directors did not receive any emoluments in respect of their services to the company. Both the Directors are remunerated by The Walt Disney Company Limited, and details are available in the financial statements of that company. It is not possible to determine the allocation of remuneration of the Directors related to the Company.

Jetix Europe Limited

Notes to the Financial Statements for the year ended 30 September 2013 (continued)

7 Tax on profit/(loss) on ordinary activities

The charge for taxation is based upon the taxable profit/(loss) for the financial year and comprises:

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
(a) Analysis of the tax charge in the financial year		
Current tax:		
UK corporation tax at 23.5% on profits for the year (2012: 25%)	2,352	(309)
Prior year adjustment	(1,685)	8
Tax on profit on ordinary activities	667	(301)

(b) Factors affecting the tax charge for the financial year:

The tax assessed for the year is lower than (2012: same) the standard rate of corporation tax in the UK for the year ended 30 September 2013 (2013: 23.5%, 2012: 25%). The differences are explained below:

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Profit/(loss) on ordinary activities before tax	13,612	(1,234)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2012: 25%)	3,199	(309)
Effects of:		
Expenses not deductible for tax purposes	(847)	-
Adjustments to tax charge in respect of previous period	(1,685)	-
Total current tax charge/(credit) for the year	667	(309)

A number of changes to the UK Corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2013 which was substantially enacted on 2 July 2013 includes legislation reducing the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. These future changes had been substantially enacted at the balance sheet date and therefore have been applied in these financial statements.

During the year, the Company recorded a prior year tax credit of £1,685,000. £1,994,000 relates to the refund of payments which the Company made to ESPN (Europe, Middle East, Africa) Limited ("ESPN EMEA") in previous periods. On 1 August 2013, ESPN EMEA was sold to British Telecommunications Plc ("BT"). Subsequently to the date of sale, ESPN and Disney reached a commercial agreement to repay the consideration received by ESPN EMEA from the Disney UK companies made in prior periods. £309,000 of the prior year tax charge also arises because of the reversal of prior period accruals for group relief receipts from other UK group companies following a change in group policy that payments are no longer required for the surrender of tax losses.

Jetix Europe Limited

Notes to the Financial Statements for the year ended 30 September 2013 (continued)

8 Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 30 September 2012	426
Additions for the year	1
At 30 September 2013	427
Net book amount	
At 30 September 2013	427
At 30 September 2012	426

The additions for the year relate to capital contribution from Jetix Entertainment Services EPE.

The Company has investments in the following subsidiary undertakings:

Subsidiary undertaking	Business	Country of incorporation	Date of incorporation	% share of voting rights
Jetix Espana S.L.	Children's television channel	Spain	24 June 1999	50%
Jetix Entertainment Limited	Children's online and interactive activities	UK	5 June 2000	100%
Jetix Entertainment Services EPE	Children's television channel	Greece	26 February 2002	100%

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

9 Debtors: amounts falling due within one year

	As at 30 September 2013 £'000	As at 30 September 2012 £'000
Amounts owed by group undertakings	1,994	306
Other debtors	843	-
	843	306

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

Jetix Europe Limited

Notes to the Financial Statements for the year ended 30 September 2013 (continued)

10 Debtors: amounts falling due after more than one year

	As at 30 September 2013 £'000	As at 30 September 2012 £'000
Amounts owed by group undertakings	142,694	140,945

Amounts owed by group undertakings are unsecured, repayable on 30 September 2014 and attract interest at the twelve month Libor rate.

11 Creditors: amounts falling due within one year

	As at 30 September 2013 £'000	As at 30 September 2012 £'000
Amounts owed to group undertakings	-	1,310
Taxation and social security	2,352	-
Accruals and deferred income	10	10
	<u>2,362</u>	<u>1,320</u>

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

12 Called up share capital

	As at 30 September 2013 £	As at 30 September 2012 £
Ordinary £1 equity shares		
10,000,000 (2012: 10,000,000) authorised	10,000,000	10,000,000
100 (2012:100) allotted and fully paid	100	100

Jetix Europe Limited

Notes to the Financial Statements for the year ended 30 September 2013 (continued)

13 Reconciliation of movements in shareholders' funds and movement on reserves

	Other reserves £'000	Profit and loss account £'000	Total £'000
As at 30 September 2012	59,809	90,492	150,301
Profit for the financial year	-	12,945	12,945
As at 30 September 2013	<u>59,809</u>	<u>103,437</u>	<u>163,246</u>

14 Ultimate parent company

The immediate parent undertaking is Disney Channels (Benelux) B.V.

The ultimate parent undertaking and controlling party is The Walt Disney Company, a company incorporated in the United States of America.

The Walt Disney Company is the parent undertaking of the largest and only group of undertakings to consolidate these financial statements at 29 September 2013. The consolidated financial statements of The Walt Disney Company are available from 500 South Buena Vista Street, Burbank CA 91521, United States of America.

15 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 Disney group since it is a wholly owned subsidiary undertaking of The Walt Disney Company whose consolidated financial statements are available to the public.