

Jetix Europe Limited

(Registered Number: 3250589)

**Directors' report and financial statements
for the year ended 27 September 2014**

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Jetix Europe Limited

Directors' report and financial statements for the year ended 27 September 2014

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Jetix Europe Limited

Directors' report for the year ended 27 September 2014

The Directors present their report and the audited financial statements of Jetix Europe Limited (the 'Company') for the year ended 27 September 2014.

Principal activities, review of the business and future developments

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 will continue to operate in the foreseeable future and therefore continues to be a going concern.

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

In fiscal year 2014 Jetix Entertainment Limited, one of the Company's investments has completed its winding down procedure resulting in the company's liquidation. The investment value of £288,000 held in the Company's balance sheet has been written off.

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 loss on foreign exchange in the year of £1,827,000 (2013: profit £1,749,000). Management continuously monitors the Company's exposure to foreign exchange risk.

Results and dividends

The profit for the financial year for the year ended 27 September 2014 amounted to £1,170,000 (2013: profit £12,945,000).

The Directors do not recommend the payment of a dividend (2013: £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

Jetix Europe Limited

Directors' report for the year ended 27 September 2014 (continued)

Directors (continued)

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.

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 ought to have taken in his duty as a Director in order to make himself 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 16 June 2015



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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 27 September 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Jetix Europe Limited, comprise:

- Balance sheet as at 27 September 2014;
- Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 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 (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.


Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & 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.



Nicholas A Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

16 June 2015

Jetix Europe Limited

Profit and Loss Account for the year ended 27 September 2014

	Note	Year ended 27 September 2014 £'000	Year ended 30 September 2013 £'000 Restated
Administrative expenses	2	65	(83)
Operating profit/loss		65	(83)
Profit on sale of an investment	3	-	4,560
Income from shares in group undertakings	4	-	3,602
Liquidation of fixed asset investment		(288)	-
(Loss)/Gain on foreign exchange of loan		(1,827)	1,749
Interest receivable and similar income	5	3,650	3,784
Profit on ordinary activities before taxation		1,600	13,612
Tax on profit on ordinary activities	7	(430)	(667)
Profit for the financial year	13	1,170	12,945

There are no material differences between the profit on ordinary activities before taxation and the profit 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.

Foreign exchange gain/(loss) on the intercompany loan receivable has been reclassified during fiscal 2014 and it no longer has an impact on operating profit.


Jetix Europe Limited

Balance Sheet as at 27 September 2014

(Registered number 3250589)

		As at 27 September 2014 £'000	As at 30 September 2013 £'000
	Note		
Fixed assets			
Investments	8	139	427
Current assets			
Cash and cash equivalents		24,992	19,650
Debtors: amounts falling due within one year	9	399	2,837
Debtors: amounts falling due after more than one year	10	141,691	142,694
		167,082	165,181
Creditors: amounts falling due within one year	11	(2,805)	(2,362)
Net current assets		164,277	162,819
Total assets less current liabilities		164,416	163,246
Net assets		164,416	163,246
Capital and reserves			
Called up share capital	12	-	-
Other reserves	13	59,809	59,809
Profit and loss account	13	104,607	103,437
Total shareholders' funds	13	164,416	163,246

The financial statements on pages 6 to 13 were approved by the Board of Directors on 16 June 2015 were signed on its behalf by:


N Cook
Director

16 June 2015

Jetix Europe Limited

Notes to the Financial Statements for the year ended 27 September 2014

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 27 September 2014 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.

The profit and loss account for the year ended 30 September 2013 has been restated. This has been done to correct the presentation of foreign exchange (loss)/gain on long-term intercompany balances owed by group undertakings. This resulted in operating profit reducing by £1,749,000. No amendment was made to the underlying profit for the year ended 30 September 2013.

The interest receivable and similar income note disclosure was restated for the year ended 30 September 2013. This has been done to separate the presentation of interest income on intercompany loans and bank deposits.

The debtor note disclosure as at 30 September 2013 was restated. This has been done to correct the presentation of the intercompany interest of £843,000 on long term amounts due from group undertakings, previously disclosed as 'Other debtors' to amounts owed by group undertakings.

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.

e) Accounting reference date

The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting year on the closest Saturday to 30 September each year. An accounting reference date of 27 September 2014 has been adopted for the current year. The financial year represents the 52 weeks ended Saturday 27 September 2014 (prior year was 52 weeks ended Monday 30 September 2013).

Jetix Europe Limited

Notes to the Financial Statements for the year ended 27 September 2014 (continued)

2 Operating profit/loss

	Year ended 27 September 2014 £'000	Year ended 30 September 2013 £'000 Restated
Operating profit/loss is stated after charging/crediting:		
Auditors' remuneration – audit	11	11

The Company has no employees (2013: nil).

The operating profit/loss note disclosure was restated. This has been done to correct the presentation of foreign exchange (loss)/gain on long-term intercompany balances owed by group undertakings.

3 Profit on sale of an investment

The Company did not make any profit or loss on sale of an investment during fiscal 2014. 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 27 September 2014 £'000	Year ended 30 September 2013 £'000
Dividends received	-	3,602

The Company did not receive any dividend payment during fiscal 2014. On 19th June 2013 a dividend of £3,602,000 was received from Jetix Entertainment Limited.

5 Interest receivable and similar income

	Year ended 27 September 2014 £'000	Year ended 30 September 2013 £'000 Re-stated
Interest receivable on intercompany loans	3,612	3,777
Interest receivable on bank deposits	38	7
	3,650	3,784

The interest receivable and similar income note disclosure was restated in 2013. This has been done to separate the presentation of interest income on intercompany loans and bank deposits, which is the presentation disclosure used in 2014.

Jetix Europe Limited

Notes to the Financial Statements for the year ended 27 September 2014 (continued)

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. It is not possible to determine the allocation of remuneration of the Directors related to the Company.

7 Tax on profit on ordinary activities

The charge for taxation is based upon the taxable profit for the financial year and comprises:

	Year ended 27 September 2014 £'000	Year ended 30 September 2013 £'000
(a) Analysis of the tax charge in the financial year		
Current tax:		
UK corporation tax at 22% on profits for the year (2013: 23.5%)	415	2,352
Prior year adjustment	15	(1,685)
Tax on profit on ordinary activities	430	667

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

The tax assessed for the year is higher (2013: lower) the standard rate of corporation tax in the UK for the year ended 27 September 2014 is 22% (2013: 23.5%). The differences are explained below:

	Year ended 27 September 2014 £'000	Year ended 30 September 2013 £'000
Profit on ordinary activities before tax	1,600	13,612
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2013: 23.5%)	352	3,199
Effects of:		
Expenses not deductible for tax purposes	63	(847)
Adjustments to tax charge in respect of previous period	15	(1,685)
Total current tax charge for the year	430	667

A number of changes to the UK Corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2013, enacted on 2 July 2013 included legislation which reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. The future change (to 20%) has been enacted at the balance sheet date and has been applied in these financial statements.

Jetix Europe Limited

Notes to the Financial Statements for the year ended 27 September 2014 (continued)

8 Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 30 September 2013	427
Liquidation of Jetix Entertainment Limited	(288)
At 27 September 2014	139
Net book amount	
At 27 September 2014	139
At 30 September 2013	427

Jetix Entertainment Limited was liquidated on 20 April 2014.

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	Liquidated on 20 th April 2014	UK	5 June 2000	0%
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 27 September 2014 £'000	As at 30 September 2013 £'000
Amounts owed by group undertakings	399	Restated 2,837
	399	2,837

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

The debtor note disclosure was restated in 2013. This has been done to correct the presentation of the intercompany interest of £843,000 on long term amounts due from group undertakings, previously disclosed as 'Other debtors' to amounts owed by group undertakings.

Jetix Europe Limited

Notes to the Financial Statements for the year ended 27 September 2014 (continued)

10 Debtors: amounts falling due after more than one year

	As at 27 September 2014 £'000	As at 30 September 2013 £'000
Amounts owed by Group undertakings	141,691	142,694

Amounts owed by Group undertakings are unsecured, repayable on 30 September 2015 and attract interest at bi-annually at six month USD Libor rate plus 0 base points.

On 12 December 2014 the outstanding loan balance of £141,691,000 was repaid in full to the Company. On the same day the Company has issued a loan of \$268,000,000 to WEDCO One Luxembourg S.A.R.L Participations S.C.A. The loan is repayable on 10 December 2015 and attracts interest at bi-annually at six month USD Libor rate plus 275 base points.

11 Creditors: amounts falling due within one year

	As at 27 September 2014 £'000	As at 30 September 2013 £'000
Trade creditors	8	-
Amounts owed to group undertakings	4	-
Taxation and social security	2,783	2,352
Accruals and deferred income	10	10
	<u>2,805</u>	<u>2,362</u>

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

12 Called up share capital

	As at 27 September 2014 £	As at 30 September 2013 £
Ordinary £1 equity shares		
10,000,000 (2013: 10,000,000) authorised	10,000,000	10,000,000
100 (2013:100) allotted and fully paid	100	100

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 2013	59,809	103,437	163,246
Profit for the financial year	-	1,170	1,170
As at 27 September 2014	<u>59,809</u>	<u>104,607</u>	<u>164,416</u>

Jetix Europe Limited

Notes to the Financial Statements for the year ended 27 September 2014 (continued)

14 Post balance sheet events

On 12 December 2014 the outstanding loan balance of £141,691,000 was repaid in full to the Company. On the same day the Company has issued a loan of \$268,000,000 to WEDCO One Luxembourg S.A.R.L Participations S.C.A. The loan is repayable on 10 December 2015 and attracts interest at bi-annually at six month USD Libor rate plus 275 base points.

15 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 27 September 2014. The consolidated financial statements of The Walt Disney Company are available from 500 South Buena Vista Street, Burbank CA 91521, United States of America.

16 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.