

MIRAMAX FILMS (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006



Company Registration Number 03483980

MIRAMAX FILMS (UK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

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MIRAMAX FILMS (UK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 SEPTEMBER 2006

The director	C Rose
Company secretary	N Cook
Registered office	3 Queen Caroline Street Hammersmith London W6 9PE
Auditor	Tenon Audit Limited Registered Auditor 66 Chiltern Street London W1U 4JT
Accountants	Tenon Limited 66 Chiltern Street London W1U 4JT

MIRAMAX FILMS (UK) LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 30 SEPTEMBER 2006

The director presents her report and the financial statements of the company for the year ended 30 September 2006

Principal activities and business review

The principal activity of the company during the year is the procurement of film rights on behalf of its parent company

Results and dividends

The loss for the year amounted to £3,000. The director has not recommended a dividend

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company

Director

The director who served the company during the year was as follows

C Rose

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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

In so far as the director is, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that she ought to have taken to make herself aware of any

MIRAMAX FILMS (UK) LIMITED
THE DIRECTOR'S REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2006

relevant audit information and to establish that the auditor is aware of that information

Auditor

A resolution to re-appoint Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Signed by



C Rose

Director

Approved by the director on 20/12/2007

MIRAMAX FILMS (UK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIRAMAX
FILMS (UK) LIMITED

YEAR ENDED 30 SEPTEMBER 2006

We have audited the financial statements of Miramax Films (UK) Limited on pages 6 to 13 for the year ended 30 September 2006. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As described in the statement of director's responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 director 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.

MIRAMAX FILMS (UK) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIRAMAX
FILMS (UK) LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2006

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 2006 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 Director's Report is consistent with the financial statements

Tenon Audit limited

Tenon Audit Limited
Registered Auditor
66 Chiltern Street
London
W1U 4JT

Date - *7 January 2008*

MIRAMAX FILMS (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2006

	Note	2006 £	2005 £
Turnover		–	–
Administrative expenses		(3,000)	(6,500)
Loss on ordinary activities before taxation		<u>(3,000)</u>	<u>(6,500)</u>
Tax on loss on ordinary activities	4	–	–
Loss for the financial year		<u>(3,000)</u>	<u>(6,500)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 13 form part of these financial statements

MIRAMAX FILMS (UK) LIMITED

BALANCE SHEET

30 SEPTEMBER 2006

	Note	2006 £	2005 £
Fixed assets			
Investments	5	4	4
Creditors Amounts falling due within one year	6	(210,190)	(207,190)
Total liabilities		<u>(210,186)</u>	<u>(207,186)</u>
Capital and reserves			
Called-up share capital	9	1	1
Profit and loss account	10	(210,187)	(207,187)
Shareholders' funds	11	<u>(210,186)</u>	<u>(207,186)</u>

These financial statements were approved and signed by the director and authorised for issue on
20 December 2007


C.C. Rose
Director

The notes on pages 9 to 13 form part of these financial statements

MIRAMAX FILMS (UK) LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2006

		2006		2005	
	Note	£	£	£	£
Net cash inflow from operating activities	12		21,419		1,000
Taxation			(21,419)		(1,000)
Increase in cash			<u>—</u>		<u>—</u>

The notes on pages 9 to 13 form part of these financial statements

MIRAMAX FILMS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Consolidation

The accounts present information about Miramax Films (UK) Limited as an individual company and do not contain consolidated financial information for Miramax Films (UK) limited as the parent of the UK group. The Company and its subsidiaries comprise a small group and therefore advantage has been taken of the exemption provided by section 248 of the Companies Act 1985 not to prepare consolidated financial information

Going concern

The activities of the Company continue to be supported by its immediate parent company Miramax Film Corp. which has provided sufficient finance to enable the Company to continue its operations. This support shall continue to be provided, which has been confirmed in writing to the director, and therefore the director considers the financial statements should be prepared on a going concern basis to give a true and fair view

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2 Operating loss

Operating loss is stated after charging

	2006	2005
	£	£
Director's emoluments	—	—
Auditors remuneration	<u>2,000</u>	<u>3,500</u>

3 Particulars of employees

No salaries or wages have been paid to employees, including the director, during the year

MIRAMAX FILMS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

4 Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006	2005
	£	£
Loss on ordinary activities before taxation	<u>(3,000)</u>	<u>(6,500)</u>
Loss on ordinary activities by rate of tax	(900)	(1,950)
Effects of		
Expenses not deductible for tax purposes	-	150
Unrelieved tax losses	<u>900</u>	<u>1,800</u>
Total current tax	<u>-</u>	<u>-</u>

5 Investments

Investment in subsidiaries

	£
Cost	
At 1 October 2005 and 30 September 2006	<u>4</u>
Net book value	
At 30 September 2006	<u>4</u>
At 30 September 2005	<u>4</u>

MIRAMAX FILMS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

5 Investments (continued)

The company owns 100% of the issued share capital of the companies listed below, all of which have ordinary issued share capital of £1

Aggregate capital and reserves

Neverland Films Ltd	(19,312)
Grimm Productions Ltd	1,502
Proof Productions Ltd	1,999
Derailed Productions Ltd	18,298

Profit and (loss) for the year

Neverland Films Ltd	(1,000)
Grimm Productions Ltd	(2,000)
Proof Productions Ltd	(2,000)
Derailed Productions Ltd	18,297

Name	Country of incorporation	Nature of business
Neverland Films Ltd	United Kingdom	Motion picture and video production
Grimm Productions Ltd	United Kingdom	Motion picture and video production
Proof Productions Ltd	United Kingdom	Motion picture and video production
Derailed Productions Ltd	United Kingdom	Motion picture and video production

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

6 Creditors: Amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	194,190	172,771
Corporation tax	—	21,419
Other creditors	13,000	—
Accruals and deferred income	3,000	13,000
	<u>210,190</u>	<u>207,190</u>

7 Commitments under operating leases

At 30 September 2006 the company had annual commitments under non-cancellable operating leases as set out below

	2006 £	2005 £
Operating leases which expire		
Within 1 year	<u>-</u>	<u>139,398</u>

MIRAMAX FILMS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

8 Related party transactions

The company is a wholly owned subsidiary of the ultimate parent company and utilises the exemption contained in FRS 8, Related Party Disclosures, not to disclose any transactions with entities that are included in the financial statements of the ultimate parent company. The address at which the consolidated financial statements of the ultimate parent company are publicly available is included in note 13.

9 Share capital

Authorised share capital

	2006	2005
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid

	2006		2005
	No	£	No
			£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>

10 Profit and loss account

	2006	2005
	£	£
Balance brought forward	(207,187)	(200,687)
Loss for the financial year	(3,000)	(6,500)
Balance carried forward	<u>(210,187)</u>	<u>(207,187)</u>

11 Reconciliation of movements in shareholders' funds

	2006	2005
	£	£
Loss for the financial year	(3,000)	(6,500)
Opening shareholders' deficit	(207,186)	(200,686)
Closing shareholders' deficit	<u>(210,186)</u>	<u>(207,186)</u>

12 Notes to the statement of cash flows

Reconciliation of operating loss to net cash inflow from operating activities

	2006	2005
	£	£
Operating loss	(3,000)	(6,500)
Increase in creditors	24,419	7,500
Net cash inflow from operating activities	<u>21,419</u>	<u>1,000</u>

MIRAMAX FILMS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

13 Ultimate parent company

The immediate parent undertaking is Miramax Film Corporation, a company incorporated in the United States of America. The ultimate parent and controlling party is the Walt Disney Company, a company incorporated in the United States of America. Copies of the consolidated financial statements of this group may be obtained from 500 South Buena Vista Street, Burbank, California 91521, United States of America.

The Walt Disney Company is also the largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member.