

Jetix Entertainment Limited

**Annual Report and Financial Statements
for the year ended 30 September 2008**

Registered no: 4007608

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Jetix Entertainment Limited
Annual report and financial statements
For the year ended 30 September 2008

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Directors, Company Secretary and Auditors
For the year ended 30 September 2008

Directors

Olivier Spiner
Dene Stratton
John Hardie
Oliver Fryer

Company secretary

Oliver Fryer

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Solicitors

Wiggin & Co
The Quadrangle
Imperial Square
Cheltenham
Gloucester GL50 1YX

Bankers

JP Morgan Chase Bank
125 London Wall
London EC2Y 5AJ

Registered office

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

Directors' report (continued)

For the year ended 30 September 2008

The directors present their report together with the audited accounts and auditors' report for the year ended 30 September 2008.

Incorporation

Jetix Entertainment Limited (the 'Company') was incorporated on 5 June 2000.

Principal activities and business review

The Company's principal activities are the operation of online interactive children's entertainment, licensor of children's entertainment rights and the distribution of programming to free television broadcasters. The Company produces a generic website and all the elements needed for the operation of the websites plus services such as hosting and operation of those sites in the United Kingdom, Scandinavia, Poland and Central and Eastern Europe. The Company's licensing business includes entertainment rights and sales activities which focus on several European markets. The Company also supplies programming to the Jetix Greek children's television channel.

The Company's results for the year were primarily influenced by lower costs in its core activities. The directors are expecting that the Company will continue to remain profitable.

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 gain in the year of £156,956 (2007: £160,073 loss).

(b) Credit risk

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

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. 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.

Directors' report (continued)

For the year ended 30 September 2008

Results and dividends

The profit for the year after taxation was £526,373 (2007: £346,540) which will be transferred to reserves. The directors do not recommend the payment of a dividend (2007: £nil).

Future developments and principal risks 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:

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 Company's relationship with Disney is valuable to it. Disney has in the past and will continue to provide the Company with operational and technical support.

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

The directors who served during the 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)

Employees

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.

Directors' report (continued)
For the year ended 30 September 2008

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 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 accounts; and
- prepare the financial statements accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

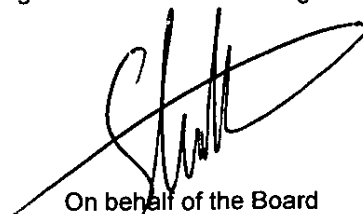
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent 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.

Building 12, Chiswick Park
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 ENTERTAINMENT LIMITED

We have audited the financial statements of Jetix Entertainment 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 profit 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 £	2007 £
Turnover	3	6,894,994	6,874,168
Operating expenses		<u>(6,377,386)</u>	<u>(6,827,115)</u>
Operating profit	4	517,608	47,053
Interest receivable and similar income		153,338	333,106
Interest payable and similar charges		<u>(6,005)</u>	<u>(10,729)</u>
Profit on ordinary activities before taxation		664,941	369,430
Tax on profit on ordinary activities	6	<u>(138,568)</u>	<u>(22,890)</u>
Profit for the financial year	13	<u>526,373</u>	<u>346,540</u>

There are no recognised gains or losses for the years other than the profit for the financial years stated above. Accordingly no statement of recognised gains and losses has been presented.

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

All the amounts stated above relate to continuing operations.

The movement on reserves is disclosed in note 13.

The accompanying notes on pages 8 to 19 are an integral part of these profit and loss accounts.

Balance sheet
30 September 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	7	392,385	36,265
Programme rights	8	416,652	425,336
		<u>809,037</u>	<u>461,601</u>
Current assets			
Debtors	9	4,927,265	3,250,008
Cash		2,211,187	6,949,264
Total current assets		<u>7,138,452</u>	<u>10,199,272</u>
Creditors: amounts falling due in less than one year	11	<u>(4,407,912)</u>	<u>(7,647,669)</u>
Net current assets		<u>2,730,540</u>	<u>2,551,603</u>
Total assets less current liabilities		<u>3,539,577</u>	<u>3,013,204</u>
Net assets		<u>3,539,577</u>	<u>3,013,204</u>
Capital and reserves			
Called-up share capital	12	10,000	10,000
Share premium account	13	278,576	278,576
Profit and loss account	13	3,251,001	2,724,628
Total equity shareholders' funds		<u>3,539,577</u>	<u>3,013,204</u>

The accounts on pages 6 to 19 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 8 to 19 are an integral part of these balance sheets.

Notes to accounts

at 30 September 2008

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.

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, 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.

Online advertising revenue is recognised evenly over the course of the advertising campaign. Amounts received in advance of recognition of revenue are recorded as deferred income.

Programme distribution revenue is recognised when the relevant agreement has been entered into, the product has been delivered or is available for delivery, collectability is reasonably assured and all of the Company's contractual obligations have been satisfied.

Revenues from home entertainment, licensing and merchandising agreements which provide for the receipt by the Company of non-refundable guaranteed amounts, are recognised when the licence or distribution period begins, the payments are due under the terms of the contract, collectability is reasonably assured and all performance obligations of the Company have been fulfilled. Amounts in excess of minimum guarantees under these agreements are recognised when earned. Amounts received in advance of recognition of revenue are recorded as deferred revenue.

Revenue is recorded net of Value Added Tax (VAT) and other sales related taxes.

Notes to accounts
at 30 September 2008

1 Principal accounting policies (continued)

c) Advertising costs

Advertising costs are expensed as incurred.

d) 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.

e) 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

f) Programme rights

This relates to programming acquired by the Company. The programme rights are included at cost less accumulated amortisation and impairment.

The amortisation profile for the programme library is as follows from the date of acquisition:

Year 1 — 40%

Year 2 — 20%

Year 3 — 10%

Year 4 — 10%

Year 5 — 10%

Year 6 — 5%

Year 7 — 5%

unless a programme acquired has a licence period less than 7 years in which case the program is amortised on a straight line basis over the length of the licence period.

Notes to accounts at 30 September 2008

1 Principal accounting policies (continued)

g) *Impairment of intangible assets*

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as income-generating units.

h) *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 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.

i) *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.

j) *Pensions*

The Group operates a defined contribution pension scheme under which it pays fixed contributions into publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes to accounts
at 30 September 2008

1 Principal accounting policies (continued)

k) Taxation

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more taxation in the future or a right to pay less taxation in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results are stated in the financial statements.

A net deferred taxation asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured at the average taxation rates that are expected to apply in the periods in which the timing differences are expected to reverse based on taxation rates or laws that have been enacted or substantially enacted by the balance sheet date. Deferred taxation is measured on a non-discounted basis.

l) Operating lease income

Programme rights leased to third parties are capitalised in accordance with note 1(f) above. Operating lease income, from programme rights, is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

2 Key accounting estimates and judgements

In order to prepare the financial statements in conformity with UK GAAP, the 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

Provisions 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 charge or credit to the profit and loss account in the period in which the change occurs.

Notes to accounts

at 30 September 2008

2 Key accounting estimates and judgements (continued)

b) *Income taxes*

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

c) *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.

d) *Amortisation of programme library*

The amortisation profile of the programme library reflects the timing of the revenue stream that each programme library property is expected to generate. The Company has estimated the timing of the recognition of revenue, see Note 1 (f), as the basis for which amortisation is recognised for the programme library unless a program acquired has a licence period less than 7 years in which case the program is amortised on a straight line basis over the length of the licence period. Based on the profile, 60% of the value of the programme titles is amortised during the first two years, which reflects the period in which the programme titles are expected to generate the majority of their revenues.

e) *Impairment of programme library*

The Company considers annually and in instances where there has been a triggering event whether the programme library has suffered any impairment in accordance with the accounting policy set out in Note 1 (g). Therefore, impairment reviews are performed by management when there is an indication of a reduction in expected future usage of a programme title. Management assesses whether prior period impairments should be reversed when there is any indication to suggest a reversal in the current period. The calculation requires the use of judgement and estimates.

Notes to accounts
at 30 September 2008

3 Turnover and segmental analysis

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

Business segments

For the year ended 30 September 2008, the Company was organised into three main operating segments, based on its products and services:

- Channels and online – operation and broadcast of television channels and the provision of children's entertainment via the Internet and other interactive media.
- Programme distribution – sale of programming to third parties.
- Consumer products – licensing and merchandising operations including home entertainment.

Analysis of turnover by business segments:	2008 £	2007 £
Channels and online	6,234,100	4,697,597
Programme distribution	579,402	2,072,378
Consumer products	81,492	104,193
Total	6,894,994	6,874,168

Geographical segments

Analysis of turnover by geographic segments:	2008 £	2007 £
UK	793,846	1,101,309
Rest of world	6,101,148	5,772,859
Total	6,894,994	6,874,168

Lease income

Rental received under:	2008 £	2007 £
Operating leases	609,821	609,446

Notes to accounts
at 30 September 2008

4 Operating profit

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation	32,305	30,555
Programme rights amortisation	302,987	199,783
Auditors' remuneration	14,350	13,650
Realised (gain)/loss on foreign exchange	(8,109)	62,660
Staff costs (see note 5)	<u>1,099,103</u>	<u>1,101,567</u>

5 Staff costs

	2008 £	2007 £
Wages and salaries	976,159	984,747
Social security costs	110,766	108,073
Other pension costs	12,178	8,747
	<u>1,099,103</u>	<u>1,101,567</u>

	2008 Number	2007 Number
Average number of employees during the year:		
Channels and online	<u>20</u>	<u>18</u>

The directors received no remuneration in respect of their services to the Company during the year (2007: £nil). The directors are also directors of Jetix Europe Limited and receive remuneration from that company.

Notes to accounts
at 30 September 2008

6a Tax on profit on ordinary activities

The tax charge comprises:	2008 £	2007 £
Current tax		
United Kingdom corporation tax at 29% (2007: 30%) based on the profit for the period – current period	-	26,751
UK corporation tax - prior periods	59,816	(62,028)
- Double taxation relief	-	(26,751)
	<u>59,816</u>	<u>(62,028)</u>
- Overseas tax	86,714	88,149
	<u>146,530</u>	<u>26,121</u>
Deferred tax		
Origination and reversal of timing differences	(7,962)	(3,231)
	<u>138,568</u>	<u>22,890</u>
Tax on profit on ordinary activities		

6b Factors affecting tax charge for the period

The tax assessed for the period is lower (2007: lower) than the standard rate of corporation tax in the UK (29%) (2007:30%). The differences are explained below:

	2008 £	2007 £
Profit before taxation	664,941	369,430
Profit per ordinary activities multiplied by the standard rate	192,833	110,829
Expenses not deductible for tax	3,738	(12,032)
Movement in deferred tax on timing difference	9,368	(8,792)
Unrelieved foreign taxes	86,714	61,398
Adjustments to prior year corporate tax charges	59,816	(62,028)
Group relief from fellow group companies	(205,939)	(63,254)
Current tax charge for the period	<u>146,530</u>	<u>26,121</u>

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

Notes to accounts
at 30 September 2008

7 Tangible fixed assets

Computer
equipment
and software

Cost	£
At 1 October 2007	828,458
Additions	<u>388,425</u>
At 30 September 2008	<u>1,216,883</u>
Accumulated depreciation	
At 1 October 2007	792,193
Charge for the year	<u>32,305</u>
At 30 September 2008	<u>824,498</u>
Net book value	
At 30 September 2007	<u>36,265</u>
At 30 September 2008	<u>392,385</u>

8 Programme rights

This comprises certain Israeli programme rights leased to Jetix Israel Limited.

£

Cost	
At 1 October 2007	2,113,089
Additions	<u>294,303</u>
At 30 September 2008	<u>2,407,392</u>
Accumulated amortisation	
At 1 October 2007	1,687,753
Amortisation for the year	<u>302,987</u>
At 30 September 2008	<u>1,990,740</u>
Net book value	
At 30 September 2007	<u>425,336</u>
At 30 September 2008	<u>416,652</u>

Notes to accounts
at 30 September 2008

9 Debtors and prepayments

	2008 £	2007 £
Trade debtors	1,686,139	1,305,718
Amounts owed by Group undertakings	2,883,463	1,551,807
Deferred tax asset (see note 10)	61,836	53,874
VAT	144,824	44,321
Prepayments and accrued income	151,003	294,288
	<u>4,927,265</u>	<u>3,250,008</u>

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

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

10 Deferred tax asset

	2008 £	2007 £
Capital allowances	<u>61,836</u>	<u>53,874</u>
Deferred tax asset at the start of the period	53,874	50,643
Movement in the period	<u>7,962</u>	<u>3,231</u>
Deferred tax asset at the end of the period	<u>61,836</u>	<u>53,874</u>

11 Creditors: amounts falling due in less than one year

	2008 £	2007 £
Trade creditors	372,122	179,247
Amounts due to Group undertakings	3,327,055	6,870,660
Corporation tax	-	8,701
Accruals and deferred income	<u>708,735</u>	<u>589,061</u>
	<u>4,407,912</u>	<u>7,647,669</u>

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

Notes to accounts
at 30 September 2008

12 Called up share capital

	2008 £	2007 £
Authorised:		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called-up and fully-paid:		
10,000 (2007: 10,000) ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

13 Reconciliation of total shareholders' funds and movements on reserves

	Share premium £	Called up share capital £	Profit and loss account £	Total £
At 1 October 2007	278,576	10,000	2,724,628	3,013,204
Profit for the financial year	-	-	526,373	526,373
At 30 September 2008	<u>278,576</u>	<u>10,000</u>	<u>3,251,001</u>	<u>3,539,577</u>

14 Other financial commitments

Pension commitments

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

15 Ultimate parent company

The Company is a subsidiary undertaking of Jetix Europe Ltd, a company incorporated in England and Wales.

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.

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 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.

Notes to accounts
at 30 September 2008

17 Post balance sheet accounts

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.

