

## **Jetix Entertainment Limited**

### **Annual Report and Financial Statements for the year ended 30 September 2010**

Registered number 4007608



Jetix Entertainment Limited  
Annual report and financial statements  
For the year ended 30 September 2010

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**Directors, Company Secretary and Auditors**  
**For the year ended 30 September 2010**

**Directors**

Nigel Cook  
Peter Wiley

**Company secretary**

Nigel Cook

**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**

### **For the year ended 30 September 2010**

The Directors present their report together with the audited accounts and auditors' report of Jetix Entertainment Ltd, (the 'Company') (registered number 4007608) for the year ended 30 September 2010

#### **Incorporation**

The Company was incorporated on 5 June 2000

#### **Principal activities and business review**

Historically, the Company's principal activities were 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 produced 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 included entertainment rights and sales activities which focus on several European markets. The Company also supplied programming to the Jetix Greek children's television channel.

The Company continued the process of winding down its business activities during the year by not writing any new business and allowing existing contracts to expire or terminate without renewal.

On 3 August 2010, the issued share capital of the Company was reduced to 100 ordinary shares of £1 each through the cancellation of 9,900 ordinary shares of £1 each. The value of the cancelled shares were transferred to a distributable reserve together with the value of the share premium reserve of £278,576.

#### **Future developments and principal risks and uncertainties**

The Company has ceased all commercial activities bar the servicing of existing commercial contracts and anticipates that during the next financial year that all commercial activity will cease.

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 and revenues and increase the Company's liabilities and costs.

Directors' report (continued)  
For the year ended 30 September 2010

**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 cashflow and fair value 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 £1,422 (2009 £25,086 gain).

*(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.

**Results and dividends**

The loss for the year after taxation was £442,883 (2009 £436,789 profit) which will be transferred to reserves. The Directors do not recommend the payment of a dividend (2009 £nil).

**Directors**

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

Nigel Cook  
Peter Wiley

**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 2010**

**Statement of directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with the applicable laws 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.

**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 as on the date of signing the report 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.



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

On behalf of the Board  
Nigel Cook, Director  
14 January 2011

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JETIX ENTERTAINMENT LIMITED

We have audited the financial statements of Jetix Entertainment Limited for the year ended 30 September 2010 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 Directors' Responsibilities Statement set out on page 4 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 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.

## 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 2010 and of its loss 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.

## 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.



Sonia Copeland (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
17 January 2011

Profit and loss account  
For the year ended 30 September 2010

	Notes	2010 £	2009 £
<b>Turnover</b>	3	301,852	7,348,016
Administrative expenses		(710,920)	(6,773,636)
<b>Operating (loss)/ profit</b>	4	(409,068)	574,380
Interest receivable and similar income		2,295	10,109
Interest payable and similar charges		(4,980)	(25,673)
<b>(Loss)/ profit on ordinary activities before taxation</b>		(411,753)	558,816
Tax on (loss)/ profit on ordinary activities	6	(31,130)	(122,027)
<b>(Loss)/ profit for the financial year</b>	13	(442,883)	436,789

There are no recognised gains or losses for the years other than the (loss) / 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 (loss)/ profit on ordinary activities before taxation and the (loss)/ profit  
for the financial years stated above and their historical cost equivalents

All the amounts stated above relate to continuing operations

The accompanying notes on pages 8 to 18 are an integral part of these profit and loss accounts



Notes to accounts  
30 September 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Programme rights	7	-	-
Investment in subsidiaries	8	108	108
		<u>108</u>	<u>108</u>
<b>Current assets</b>			
Debtors	9	32,444	4,382,423
Cash		3,885,677	3,765,610
<b>Total current assets</b>		<u>3,918,121</u>	<u>8,148,033</u>
<b>Creditors: amounts falling due in less than one year</b>	11	<u>(384,746)</u>	<u>(4,171,775)</u>
<b>Net current assets</b>		<u>3,533,375</u>	<u>3,976,258</u>
<b>Total assets less current liabilities</b>		<u>3,533,483</u>	<u>3,976,366</u>
<b>Net assets</b>		<u>3,533,483</u>	<u>3,976,366</u>
<b>Capital and reserves</b>			
Called-up share capital	12	100	10,000
Share premium account	13	-	278,576
Other distributable reserve	13	288,476	-
Profit and loss account	13	3,244,907	3,687,790
<b>Total equity shareholders' funds</b>		<u>3,533,483</u>	<u>3,976,366</u>

The accounts on pages 6 to 18 were approved by the board of Directors on 14 January 2011 and signed on its behalf by

Nigel Cook  
Director



## Notes to accounts

### 30 September 2010

#### 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 2006. For the year ended 30 September 2010 the Company has prepared its annual financial statements in accordance with UK GAAP. The financial statements have been prepared on a going concern basis as the immediate parent company, Jetix Europe Limited, has indicated its intention to continue to support the Company for a period of twelve months from the date of approval of these financial statements. The principal accounting policies are set out below.

The financial statements contain information about Jetix Entertainment Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, The Walt Disney Company Inc, a Company registered in the United States of America.

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 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 revenue recognition and allowances for doubtful accounts.

##### *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

**1 Principal accounting policies (continued)**

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.

*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) 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 programme is amortised on a straight line basis over the length of the licence period.

*f) 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.

Notes to accounts  
30 September 2010

**1 Principal accounting policies (continued)**

*g) Financial Instruments*

*(1) Debtors*

Trade receivables are recognised initially at fair value less any provision for recoverability. Accrued income is recognised as unbilled revenue at the year end.

*(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.

*h) 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.

*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 as 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(e) 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.

## Notes to accounts

### 30 September 2010

#### 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.

##### 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 (e), 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 (f). 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  
30 September 2010

**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 2010, 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	2010 £	2009 £
Channels and online	232,954	6,143,388
Programme distribution	71,665	1,160,821
Consumer products	(2,767)	43,807
Total	<u>301,852</u>	<u>7,348,016</u>

*Geographical segments*

Analysis of turnover by geographic segments	2010 £	2009 £
UK	-	1,085,551
Rest of world	301,852	6,262,465
Total	<u>301,852</u>	<u>7,348,016</u>

*Lease income*

Rental received under	2010 £	2009 £
Operating leases	<u>-</u>	<u>803,219</u>

Notes to accounts  
30 September 2010

**4 Operating (loss)/ profit**

Operating (loss)/ profit is stated after charging/(crediting)

	2010 £	2009 £
Depreciation	-	68,374
Programme rights amortisation	-	705,487
Restructuring costs	13,813	260,793
Commission expense	67,868	200,996
Programming costs	217,995	267,557
Supervision fee	227,367	3,105,181
Auditors' remuneration		
- audit	14,413	25,629
Realised gain on foreign exchange	(1,422)	(25,086)
Staff costs (see note 5)	<u>39,681</u>	<u>879,907</u>

Included within the 2010 operating expenses is an amount of £202,867 relating to prior year programming and dubbing costs

**5 Staff costs**

	2010 £	2009 £
Wages and salaries	30,174	764,012
Social security costs	9,507	85,899
Other pension costs	-	29,996
	<u>39,681</u>	<u>879,907</u>

	2010 Number	2009 Number
Monthly average number of employees during the year		
Channels and online	<u>1</u>	<u>19</u>

The Directors did not receive any emoluments in respect of their services to the Company

Notes to accounts  
30 September 2010

**6a Tax on (loss)/ profit on ordinary activities**

The tax charge comprises	2010 £	2009 £
Current tax		
United Kingdom corporation tax at 28% based on the profit for the period – current period	-	40,762
UK corporation tax - prior periods	-	-
- Double taxation relief	-	(40,762)
	<u>-</u>	<u>-</u>
- Overseas tax	31,130	60,191
Total current tax charge	<u>31,130</u>	<u>60,191</u>
Deferred tax		
Origination and reversal of timing differences	-	61,836
	<u>-</u>	<u>61,836</u>
Tax on (loss) / profit on ordinary activities	<u>31,130</u>	<u>122,027</u>

**6b Factors affecting tax charge for the period**

The tax assessed for the period is higher (2009 lower) than the standard rate of corporation tax in the UK (28%) The differences are explained below

	2010 £	2009 £
(Loss)/ profit on ordinary activities before taxation	(411,753)	558,816
(Loss)/ profit per ordinary activities multiplied by the standard rate 28%	(115,291)	156,469
Expenses not deductible for tax	382	3,593
Capital allowances in excess of depreciation	(11,175)	108,426
Unrelieved foreign taxes	31,130	19,429
Group relief from/ to fellow group companies	126,084	(227,726)
Current tax charge for the period	<u>31,130</u>	<u>60,191</u>

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The further proposed changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.



Notes to accounts  
30 September 2010

**7 Programme rights**

This comprises certain Israeli programme rights leased to Jetix Israel Limited

	£
<b>Cost</b>	
At 1 October 2009	2,332,867
At 30 September 2010	<u>2,332,867</u>
<b>Accumulated amortisation</b>	
At 1 October 2009	2,332,867
At 30 September 2010	<u>2,332,867</u>
<b>Net book value</b>	
At 1 October 2009	-
At 30 September 2010	<u>-</u>

**8 Investments**

	2010	2009
	£	£
Cost and net book value	<u>108</u>	<u>108</u>

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

Subsidiary undertaking and joint ventures	Country of incorporation	Date of incorporation	Principal activity	Equity interest
Jetix Entertainment Services EPE	Greece	26 February 2002	Children's television channel	1%

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

Notes to accounts  
30 September 2010

**9 Debtors and prepayments**

	2010 £	2009 £
Trade debtors	29,121	1,211,758
Amounts owed by Group undertakings	-	3,065,265
Deferred tax asset ( see note 10)	-	-
VAT	-	105,400
Prepayments and accrued income	3,323	-
	<u>32,444</u>	<u>4,382,423</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**

	2010 £	2009 £
Capital allowances	-	-
Deferred tax asset at the start of the period	-	61,836
Movement in the period	-	(61,836)
Deferred tax asset at the end of the period	-	-

The Company has available capital allowances of £160,000 (2009 613,000) On account of the closure of the Company's operations the timing difference on fixed assets is not expected to reverse and accordingly no asset has been recognised

**11 Creditors: amounts falling due in less than one year**

	2010 £	2009 £
Trade creditors	80,488	14,279
Amounts due to Group undertakings	289,845	3,658,157
Accruals and deferred income	14,413	499,339
	<u>384,746</u>	<u>4,171,775</u>

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

Notes to accounts  
30 September 2010

**12 Called up share capital**

	2010 £	2009 £
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		
100 (2009 10,000) ordinary shares of £1 each	<u>100</u>	<u>10,000</u>

On 3 August 2010, the issued share capital of the Company was reduced to 100 ordinary shares of £1 each through the cancellation of 9,900 ordinary shares of £1 each. The value of the cancelled shares were transferred to a distributable reserve together with the value of the share premium reserve of £278,576 (see Note 13)

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

	Called up share capital £	Share premium £	Other distributable reserve £	Profit and loss account £	Total £
At 1 October 2009	10,000	278,576	-	3,687,790	3,976,366
Loss for the financial year	-	-	-	(442,883)	(442,883)
Reduction of share capital	(9,900)	(278,576)	288,476	-	-
At 30 September 2010	<u>100</u>	<u>-</u>	<u>288,476</u>	<u>3,244,907</u>	<u>3,533,483</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 2010 (2009: £nil)

**15 Ultimate parent company**

The immediate parent undertaking is Jetix Europe Limited

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

The Walt Disney Company Inc is the parent undertaking of the largest and only group of undertakings to consolidate these financial statements at 2 October 2010. The consolidated financial statements of The Walt Disney Company Inc are available from 500 South Buena Vista Street, Burbank CA 91521, United States of America

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Notes to accounts  
30 September 2010

**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 Walt Disney group since it is a wholly owned subsidiary undertaking of The Walt Disney Company whose consolidated accounts are available to the public