

**JAMMY PRODUCTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2008**

**Company Registration Number 5956526**



**JAMMY PRODUCTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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**JAMMY PRODUCTIONS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**PERIOD ENDED 31 DECEMBER 2008**

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<b>The board of directors</b>	N Cook C Rose
<b>Company secretary</b>	M Reed
<b>Registered office</b>	3 Queen Caroline Street Hammersmith London W6 9PE
<b>Auditor</b>	Tenon Audit Limited Registered Auditor 66 Chiltern Street London W1U 4JT

## **JAMMY PRODUCTIONS LIMITED**

### **THE DIRECTORS' REPORT**

#### **PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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The directors present their report and the financial statements of the company for the period from 13 March 2008 to 31 December 2008.

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

The principal activity of the company is the production of film projects. It is considered that the company's principal activities will remain unchanged in the foreseeable future.

During the period the company was involved in the production of the film "The Boy In The Striped Pyjamas". The film was completed by the period end and therefore further costs are not expected to be incurred post period end. The loss on ordinary activities before tax was £123,848 and at the period end it had net liabilities of £9,900. A film tax credit settlement of £115,798 relating to the period is expected to be received from HMRC.

The directors consider the company's key financial performance indicator to be whether "The Boy In The Striped Pyjamas" is produced in line with the agreed budget. At the period end, the estimated final cost of the film was higher than that budgeted, however the film had continued to be funded by the financiers.

The directors have reviewed the risks and resultant uncertainties facing the company and consider the principal risks to be legislative changes and the national economy.

The directors have also assessed further principal risks and uncertainties facing the business, being the ability to secure future contracts. However, Miramax Film Corporation has provided sufficient assurances that it will continue to support the company and provide the necessary finances for its future operations.

#### **Results and dividends**

The loss for the period amounted to £8,050. The directors have not recommended a dividend.

#### **Financial risk management objectives and policies**

The company makes little use of financial instruments other than investing surplus funds in sterling and US dollar bank deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable banks and the directors believe their choice of bank minimises any credit risk.

The company believes 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 of the company.

#### **Directors**

The directors who served the company during the period were as follows:

N Cook  
C Rose

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

**JAMMY PRODUCTIONS LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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**Auditor**

Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the directors



N Cook  
Director

Approved by the directors on 31/7/09.....

**JAMMY PRODUCTIONS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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The directors are responsible for preparing the Annual 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 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 proper accounting records which 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 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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **JAMMY PRODUCTIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMMY PRODUCTIONS LIMITED**

**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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We have audited the financial statements of Jammy Productions Limited on pages 7 to 14 for the period ended 31 December 2008. 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 directors and auditor**

As described in the statement of directors' responsibilities the company's directors are 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 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.

**JAMMY PRODUCTIONS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMMY  
PRODUCTIONS LIMITED *(continued)***

**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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**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 31 December 2008 and of its loss for the period 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.

*Tenon Audit Limited*

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

*31/12/09*



# JAMMY PRODUCTIONS LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008

	Note	Period from 13 Mar 08 to 31 Dec 08 £	Period from 4 Oct 06 to 12 Mar 08 £
Turnover	2	583,134	5,534,710
Cost of sales		(696,982)	(5,855,707)
<b>Gross loss</b>		<u>(113,848)</u>	<u>(320,997)</u>
Administrative expenses		(10,000)	(15,000)
<b>Loss on ordinary activities before taxation</b>		<u>(123,848)</u>	<u>(335,997)</u>
Tax on loss on ordinary activities	5	115,798	334,047
<b>Loss for the financial period</b>		<u>(8,050)</u>	<u>(1,950)</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 period as set out above.

The notes on pages 10 to 14 form part of these financial statements.

# JAMMY PRODUCTIONS LIMITED

## BALANCE SHEET

31 DECEMBER 2008

	Note	31 Dec 08 £	£	12 Mar 08 £	£
<b>Current assets</b>					
Debtors	6	503,087		916,896	
Cash at bank and in hand		59,188		123,943	
		<u>562,275</u>		<u>1,040,839</u>	
<b>Creditors: Amounts falling due within one year</b>	7	<u>(572,175)</u>		<u>(1,042,689)</u>	
<b>Net current liabilities</b>			<u>(9,900)</u>		<u>(1,850)</u>
<b>Capital and reserves</b>					
Called-up share capital	9		100		100
Profit and loss account	10		(10,000)		(1,950)
<b>Shareholders' funds</b>	11		<u>(9,900)</u>		<u>(1,850)</u>

These financial statements were approved by the directors and authorised for issue on 31/7/09, and are signed on their behalf by:



N Cook  
Director

The notes on pages 10 to 14 form part of these financial statements.

# JAMMY PRODUCTIONS LIMITED

## CASH FLOW STATEMENT

PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008

		Period from 13 Mar 08 to 31 Dec 08		Period from 4 Oct 06 to 12 Mar 08	
	Note	£	£	£	£
Net cash (outflow)/inflow from operating activities	12		(64,755)		123,843
Cash (outflow)/inflow before financing			(64,755)		123,843
Financing					
Issue of equity share capital		—		100	
Net cash inflow from financing			—		100
(Decrease)/increase in cash	12		(64,755)		123,943

The notes on pages 10 to 14 form part of these financial statements.

# JAMMY PRODUCTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008

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### 1. Accounting policies

#### Basis of accounting

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

#### Turnover

In respect of long-term contract and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Value of work done in respect of long-term contract and contract for on-going services is determined by reference to the stage of completion.

#### 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.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	<b>Period from 13 Mar 08 to 31 Dec 08 £</b>	<b>Period from 4 Oct 06 to 12 Mar 08 £</b>
United States of America	<u>583,134</u>	<u>5,534,710</u>

### 3. Operating loss

Operating loss is stated after charging:

	<b>Period from 13 Mar 08 to 31 Dec 08 £</b>	<b>Period from 4 Oct 06 to 12 Mar 08 £</b>
Auditors remuneration	<u>7,000</u>	<u>15,000</u>

**JAMMY PRODUCTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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**4. Particulars of employees**

The average number of staff employed by the company during the financial period amounted to:

	<b>Period from 13 Mar 08 to 31 Dec 08 No</b>	<b>Period from 4 Oct 06 to 12 Mar 08 No</b>
Number of production staff	<u>3</u>	<u>15</u>

The aggregate payroll costs of the above were:

	<b>Period from 13 Mar 08 to 31 Dec 08 £</b>	<b>Period from 4 Oct 06 to 12 Mar 08 £</b>
Wages and salaries	67,261	364,841
Social security costs	<u>1,909</u>	<u>20,602</u>
	<u>69,170</u>	<u>385,443</u>

**5. Taxation on ordinary activities**

**(a) Analysis of charge in the period**

	<b>Period from 13 Mar 08 to 31 Dec 08 £</b>	<b>Period from 4 Oct 06 to 12 Mar 08 £</b>
UK Corporation tax	<u>(115,798)</u>	<u>(334,047)</u>

**(b) Factors affecting current tax charge**

	<b>Period from 13 Mar 08 to 31 Dec 08 £</b>	<b>Period from 4 Oct 06 to 12 Mar 08 £</b>
Loss on ordinary activities before taxation	<u>(123,848)</u>	<u>(335,997)</u>
Loss on ordinary activities by rate of tax	(34,678)	(100,799)
Effects of:		
Enhanced losses arising from the film tax credit	(99,926)	(425,648)
Difference between the rate of corporation tax and the rate of relief under the film tax credit	13,896	66,809
Losses carried forward for period	(3,766)	125,591
Losses surrendered for group relief	<u>8,676</u>	<u>-</u>
Total current tax (note 5(a))	<u>(115,798)</u>	<u>(334,047)</u>

**JAMMY PRODUCTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

**6. Debtors**

	<b>31 Dec 08</b>	<b>12 Mar 08</b>
	<b>£</b>	<b>£</b>
Corporation tax repayable	449,845	334,047
VAT recoverable	7,033	45,486
Other debtors	46,209	537,363
	<u>503,087</u>	<u>916,896</u>

**7. Creditors: Amounts falling due within one year**

	<b>31 Dec 08</b>	<b>12 Mar 08</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	479,547	942,700
Other creditors	52,508	–
Accruals and deferred income	40,120	99,989
	<u>572,175</u>	<u>1,042,689</u>

**8. Related party transactions**

During the accounting period, Jammy Productions Ltd was involved in the following related party transactions with Miramax Film Corporation, a fellow group company. All transactions were carried out at an arms length basis.

**Miramax Film Corporation**

	<b>31 Dec 2008</b>	<b>12 Mar 2008</b>
	<b>£</b>	<b>£</b>
Balance brought forward	(942,700)	
Production funds advanced in the period	(555,855)	(6,170,452)
Funds returned in period	562,498	
Sale of film rights	581,184	5,521,660
Tax credit loan	(115,798)	(334,047)
Production services fee	1,950	13,050
Foreign exchange difference	(10,826)	1,230
Provision against disputed Hungarian VAT		25,859
<b>Balance due to Miramax Film Corporation as at 31 December 2008</b>	<u>(479,547)</u>	<u>(942,700)</u>

**JAMMY PRODUCTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

**9. Share capital**

**Authorised share capital:**

	31 Dec 08	12 Mar 08
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Allotted and called up:**

	31 Dec 08	12 Mar 08
	No	No
	£	£
Ordinary shares - £100 paid of £1 each	<u>1</u>	<u>1</u>
	<u>100</u>	<u>100</u>

**10. Profit and loss account**

	Period from 13 Mar 08 to 31 Dec 08	Period from 4 Oct 06 to 12 Mar 08
	£	£
Balance brought forward	(1,950)	-
Loss for the financial period	(8,050)	(1,950)
Balance carried forward	<u>(10,000)</u>	<u>(1,950)</u>

**11. Reconciliation of movements in shareholders' funds**

	31 Dec 08	12 Mar 08
	£	£
Loss for the financial period	(8,050)	(1,950)
New ordinary share capital subscribed	-	100
Net reduction to shareholders' deficit	(8,050)	(1,850)
Opening shareholders' deficit	(1,850)	-
Closing shareholders' deficit	<u>(9,900)</u>	<u>(1,850)</u>

**12. Notes to the statement of cash flows**

**Reconciliation of operating loss to net cash (outflow)/inflow from operating activities**

	Period from 13 Mar 08 to 31 Dec 08	Period from 4 Oct 06 to 12 Mar 08
	£	£
Operating loss	(123,848)	(335,997)
Decrease/(increase) in debtors	529,607	(582,849)
(Decrease)/increase in creditors	(470,514)	1,042,689
Net cash (outflow)/inflow from operating activities	<u>(64,755)</u>	<u>123,843</u>

**JAMMY PRODUCTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 13 MARCH 2008 TO 31 DECEMBER 2008**

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**12. Notes to the statement of cash flows (continued)**

**Reconciliation of net cash flow to movement in net funds**

	31 Dec 08 £	12 Mar 08 £
(Decrease)/increase in cash in the period	(64,755)	123,943
Movement in net funds in the period	(64,755)	123,943
Net funds at 13 March 2008	123,943	—
Net funds at 31 December 2008	<u>59,188</u>	<u>123,943</u>

**Analysis of changes in net funds**

	At 13 March 2008 £	Cash flows £	At 31 December 2008 £
Net cash:			
Cash in hand and at bank	123,943	(64,755)	59,188
Net funds	<u>123,943</u>	<u>(64,755)</u>	<u>59,188</u>

**13. Ultimate parent company**

The company's immediate parent undertaking is Banner Productions Limited, a company registered in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, The Walt Disney Company, a company incorporated in the United States of America.