

BANDERSNATCH FILMS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010

Company Registration Number 6420579



BANDERSNATCH FILMS LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2010

| CONTENTS | PAGES |
|---|--------------|
| Officers and professional advisers | 1 |
| The directors' report | 2 to 3 |
| Statement of directors' responsibilities | 4 |
| Independent auditor's report to the members | 5 to 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Cash flow statement | 9 |
| Notes to the financial statements | 10 to 14 |

BANDERSNATCH FILMS LTD
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 OCTOBER 2010

| | |
|-------------------------------|--|
| The board of directors | M Reed N Cook P Steinke P Wiley |
| Company secretary | M Reed |
| Registered office | 3 Queen Caroline Street Hammersmith London W6 9PE |
| Auditor | RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT |

BANDERSNATCH FILMS LTD
THE DIRECTORS' REPORT
YEAR ENDED 31 OCTOBER 2010

The directors present their report and the financial statements of the company for the year ended 31 October 2010

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 year the company was involved in the production of the animation film "Alice in Wonderland". The film was completed during the year.

The directors consider the company's key financial performance indicator to be whether 'Alice in Wonderland' is produced in line with the agreed budget. At the year end, the estimated final cost of the film was lower than budgeted. The directors have been kept informed of all costs and the film has 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, the parent company 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 year amounted to £2,164. The directors have 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.

Directors

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

M Reed
N Cook
P Steinke
P Wiley

P Steinke was appointed as a director on 26 February 2010.

P Wiley was appointed as a director on 7 April 2010.

BANDERSNATCH FILMS LTD
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2010

Auditor

Under section 487 of the Companies Act 2006, RSM Tenon Audit Limited will be deemed to have been reappointed as auditor(s) 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

Signed on behalf of the directors



N Cook
Director

Approved by the directors on 29/7/11

BANDERSNATCH FILMS LTD
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 OCTOBER 2010

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 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, 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 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.

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.

BANDERSNATCH FILMS LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BANDERSNATCH FILMS LTD
YEAR ENDED 31 OCTOBER 2010

We have audited the financial statements of Bandersnatch Films Ltd for the year ended 31 October 2010 on pages 7 to 14. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 and express an opinion on 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.

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 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 31 October 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 matters 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.

BANDERSNATCH FILMS LTD
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BANDERSNATCH FILMS LTD *(continued)*
YEAR ENDED 31 OCTOBER 2010

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



John Graydon, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
66 Chiltern Street
London
W1U 4JT

29/7/11

BANDERSNATCH FILMS LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2010

| | Note | 2010 £ | 2009 £ |
|---|------|----------------|---------------|
| Turnover | 2 | 35,272,383 | 66,990,989 |
| Cost of sales | | (35,267,059) | (66,950,816) |
| Gross profit | | <u>5,324</u> | <u>40,173</u> |
| Administrative expenses | | (7,488) | (33,254) |
| (Loss)/profit on ordinary activities before taxation | | <u>(2,164)</u> | <u>6,919</u> |
| Tax on (loss)/profit on ordinary activities | 5 | - | - |
| (Loss)/profit for the financial year | | <u>(2,164)</u> | <u>6,919</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 10 to 14 form part of these financial statements

BANDERSNATCH FILMS LTD*Registered Number 6420579***BALANCE SHEET****31 OCTOBER 2010**

| | Note | 2010 £ | £ | 2009 £ | £ |
|--|------|------------------|----------------|------------------|----------------|
| Current assets | | | | | |
| Debtors | 6 | 331,302 | | 458,116 | |
| Cash at bank and in hand | | 214,257 | | 108,941 | |
| | | <u>545,559</u> | | <u>567,057</u> | |
| Creditors amounts falling due within one year | 7 | <u>(550,044)</u> | | <u>(569,378)</u> | |
| Net current liabilities | | | <u>(4,485)</u> | | <u>(2,321)</u> |
| Capital and reserves | | | | | |
| Called-up share capital | 9 | | 1 | | 1 |
| Profit and loss account | 10 | | (4,486) | | (2,322) |
| Shareholders' funds | 11 | | <u>(4,485)</u> | | <u>(2,321)</u> |

These financial statements were approved by the directors and authorised for issue on 29/7/11 , and are signed on their behalf by

N Cook
Director



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

BANDERSNATCH FILMS LTD
CASH FLOW STATEMENT
YEAR ENDED 31 OCTOBER 2010

| | | 2010 | | 2009 | |
|--|------|------|----------------|-------|--------------|
| | Note | £ | £ | £ | £ |
| Net cash inflow from operating activities | 12 | | 105,316 | | 9,279 |
| Cash inflow before financing | | | <u>105,316</u> | | <u>9,279</u> |
| Financing | | | | | |
| Purchase of own equity shares | | — | | (999) | |
| Net cash outflow from financing | | | — | | (999) |
| Increase in cash | 12 | | <u>105,316</u> | | <u>8,280</u> |

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

BANDERSNATCH FILMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2010

1 Accounting policies

Basis of accounting

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

Going Concern

At the year end the company had net liabilities £4,485 (2009 £2,321). However the activities of the company continue to be supported by its parent company, The Walt Disney Company, 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, and therefore the directors consider the financial statements should be prepared on a going concern basis to give a true and fair view.

Turnover

In respect of long-term contracts 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 contracts and contracts 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 loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

| | 2010 £ | 2009 £ |
|----------|-------------------|-------------------|
| Overseas | <u>35,272,383</u> | <u>66,990,989</u> |

BANDERSNATCH FILMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2010

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging

| | 2010 £ | 2009 £ |
|--|--------------|---------------|
| Auditor's remuneration - audit of the financial statements | 3,847 | 18,944 |
| Auditor's remuneration - other fees | <u>3,641</u> | <u>14,310</u> |
| | 2010 £ | 2009 £ |
| Auditor's remuneration - audit of the financial statements | <u>3,847</u> | <u>18,944</u> |
| Auditor's remuneration - other fees | | |
| - Taxation services | 1,000 | 5,383 |
| - Other accountancy services | 1,722 | 8,927 |
| - Tax services | 919 | - |
| | <u>3,641</u> | <u>14,310</u> |

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

| | 2010 £ | 2009 £ |
|-------------------------------|--------------|---------------|
| Audit fees in respect of 2008 | | 9,944 |
| Audit fees in respect of 2009 | (1,153) | 9,000 |
| Audit fees in respect of 2010 | 5,000 | |
| Taxation 2008 | | 4,383 |
| Taxation 2009 | 500 | 1,000 |
| Taxation 2010 | 500 | |
| Other accountancy advice 2008 | | 6,927 |
| Other accountancy advice 2009 | 222 | 2,000 |
| Other accountancy advice 2010 | 1,500 | |
| Other fees 2008 | 250 | |
| Other fees 2009 | 419 | |
| Other fees 2010 | 250 | |
| | <u>7,488</u> | <u>33,254</u> |

The fees disclosed above include fees relating to the period ended 31st October 2009 which were overaccrued for and those which are underaccrued and have not been previously disclosed as fees charged by the auditor. These fees have been subsequently included in the administrative expenses of the company.

BANDERSNATCH FILMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2010

4 Particulars of employees

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

| | 2010 | 2009 |
|----------------------------|----------|-----------|
| | No | No |
| Number of production staff | <u>2</u> | <u>17</u> |

The aggregate payroll costs of the above were

| | 2010 | 2009 |
|-----------------------|----------------|------------------|
| | £ | £ |
| Wages and salaries | 257,958 | 1,020,326 |
| Social security costs | 30,869 | 35,653 |
| | <u>288,827</u> | <u>1,055,979</u> |

5 Taxation on ordinary activities

Factors affecting current tax charge

| | 2010 | 2009 |
|--|----------------|--------------|
| | £ | £ |
| (Loss)/profit on ordinary activities before taxation | <u>(2,164)</u> | <u>6,919</u> |
| (Loss)/profit on ordinary activities by rate of tax | (605) | 1,937 |
| Effects of | | |
| Utilisation of tax losses | - | (2,588) |
| Trading losses carried forward | 605 | 651 |
| Total current tax | <u>-</u> | <u>-</u> |

6 Debtors

| | 2010 | 2009 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed by group undertakings | - | 175,803 |
| VAT recoverable | 3,431 | 47,990 |
| Other debtors | 327,871 | 234,323 |
| | <u>331,302</u> | <u>458,116</u> |

7 Creditors' amounts falling due within one year

| | 2010 | 2009 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed to group undertakings | 292,261 | - |
| Other creditors | - | 19,910 |
| Accruals and deferred income | 257,783 | 549,468 |
| | <u>550,044</u> | <u>569,378</u> |

BANDERSNATCH FILMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2010

8 Related party transactions

The company has taken advantage of the exemption granted in FRS No 8 'Related Party Disclosures' from disclosure of transactions entered into between two or more members of a group as the companies party to the transactions are wholly owned by a member of the group

9 Share capital

Authorised share capital

| | 2010 £ | 2009 £ |
|----------------------------------|--------------|--------------|
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid:

| | 2010 No | £ | 2009 No | £ |
|------------------------------|------------|----------|------------|----------|
| 1 Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

10 Profit and loss account

| | 2010 £ | 2009 £ |
|--------------------------------------|----------------|----------------|
| Balance brought forward | (2,322) | (9,241) |
| (Loss)/profit for the financial year | <u>(2,164)</u> | <u>6,919</u> |
| Balance carried forward | <u>(4,486)</u> | <u>(2,322)</u> |

11 Reconciliation of movements in shareholders' funds

| | 2010 £ | 2009 £ |
|---|----------------|----------------|
| (Loss)/profit for the financial year | (2,164) | 6,919 |
| Purchase of own ordinary shares | <u>—</u> | <u>(999)</u> |
| Net (reduction)/addition to shareholders' deficit | (2,164) | 5,920 |
| Opening shareholders' deficit | <u>(2,321)</u> | <u>(8,241)</u> |
| Closing shareholders' deficit | <u>(4,485)</u> | <u>(2,321)</u> |

12 Notes to the cash flow statement

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

| | 2010 £ | 2009 £ |
|---|-----------------|--------------------|
| Operating (loss)/profit | (2,164) | 6,919 |
| Decrease in debtors | 126,814 | 1,037,074 |
| Decrease in creditors | <u>(19,334)</u> | <u>(1,034,714)</u> |
| Net cash inflow from operating activities | <u>105,316</u> | <u>9,279</u> |

BANDERSNATCH FILMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2010

12. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net funds

| | 2010 | 2009 |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| Increase in cash in the period | 105,316 | 8,280 |
| Movement in net funds in the period | 105,316 | 8,280 |
| Net funds at 1 November 2009 | 108,941 | 100,661 |
| Net funds at 31 October 2010 | 214,257 | 108,941 |

Analysis of changes in net funds

| | At 1 November 2009 £ | Cash flows £ | At 31 October 2010 £ |
|--------------------------|---|-------------------------|---|
| Net cash | | | |
| Cash in hand and at bank | 108,941 | 105,316 | 214,257 |
| Net funds | 108,941 | 105,316 | 214,257 |

13 Ultimate controlling party

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

The directors regard The Walt Disney Company, a company incorporated in The United States of America, as the ultimate parent company

The largest group for which accounts are prepared and which the company is a member is The Walt Disney Company. Copies of group accounts of The Walt Disney Company can be obtained from 500 Buena Vista Street, Burbank, California, 91521, USA

The directors are unable to identify the ultimate controlling party of The Walt Disney Company, if any