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Hammersmith Enterprises Limited

(Registered Number FC019674)

Annual Report and Financial Statements For The Year Ended 2 October 2010



Hammersmith Enterprises Limited

Annual Report and Financial Statement For The Year Ended 2 October 2010

Contents

| | Pages |
|--|--------------|
| Directors' Report For The Year Ended 2 October 2010 | 2-3 |
| Independent Auditors' Report to the Members of Hammersmith Enterprises Limited | 4-5 |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Notes to the Financial Statements For The Year Ended 2 October 2010 | 8-12 |

Hammersmith Enterprises Limited

Directors' Report for the Year Ended 2 October 2010

The Directors present their report and audited financial statements of Hammersmith Enterprises Limited (the 'Company') for the 52 weeks to 2 October 2010. The financial year represents the 52 weeks ended Saturday 2 October 2010 (prior year the 53 weeks ended 3 October 2009).

Principal activities, business review and future developments

The Company is a wholly-owned subsidiary undertaking of The Walt Disney Company, incorporated in the United States of America, and its principal activity is as a holding company for its subsidiaries in the United Kingdom. The Directors consider the results for the year and the financial condition of the Company at the end of the year to be satisfactory. The Directors expect the Company will continue in this capacity for the foreseeable future.

Results and dividends

The results for the Company show a profit of £293,000,000 (2009: £88,016,000) for the year and revenues of £nil (2009: £nil). Dividends totalling £293,000,000 were paid during the year (2008: £88,000,000).

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that using financial KPIs such as revenue and operating profit are not necessary for an understanding of the development, performance or position of the business.

Directors

The Directors who held office during the year and up to the date of approval of the accounts are as follows:

N Cook
P Wiley

There was no qualifying third party indemnity provision in force, for the benefit of any of the Directors, at any time during the financial year.

Statement of Directors' responsibilities

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

The directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Hammersmith Enterprises Limited

Directors' Report for the Year Ended 2 October 2010 (continued)

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware Each director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

On behalf of the Board 14 February 2011

A handwritten signature in black ink, appearing to be 'N Cook', written over a horizontal line.

N Cook
Director

Registered Office
Maples & Calder Attorn -At-Law
PO Box 309 Ugland House
George Town

Hammersmith Enterprises Limited

Independent Auditors' Report to the Directors of Hammersmith Enterprises Limited

We have audited the non-statutory financial statements of Hammersmith Enterprises Limited (the "Company") for the year ended 2 October 2010 which comprise the Profit and Loss Account, the Balance Sheet, Accounting Policies and the related notes. The financial reporting framework that has been applied in the preparation of these non-statutory financial statements is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

These non-statutory financial statements were prepared solely for the purposes of management of the Company's affairs and are not the Company's statutory financial statements.

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the non-statutory financial statements in accordance with United Kingdom Generally Accepted Accounting Practice and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the non-statutory 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 opinion, has been prepared for and only for the directors for management purposes in accordance with our engagement letter dated 10 February 2011 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 including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Scope of the audit of the non-statutory financial statements

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory financial statements sufficient to give reasonable assurance that the non-statutory 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 non-statutory financial statements.

Hammersmith Enterprises Limited

Independent Auditors' Report to the Directors of Hammersmith Enterprises Limited

Opinion on non-statutory financial statements

In our opinion the non-statutory financial statements

- give a true and fair view of the state of the Company's affairs as at 2 October 2010 and of its profit for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

London

14 February 2011

Hammersmith Enterprises Limited

Profit and Loss Account for the Year Ended 2 October 2010

| | Note | Year Ended 2 October 2010 £'000 | Year Ended 3 October 2009 £'000 |
|--|----------|--|--|
| Operating profit | 2 | - | 22 |
| Dividends received | 4 | 293,000 | 88,000 |
| Profit on ordinary activities before taxation | | 293,000 | 88,022 |
| Tax on profit on ordinary activities | 5 | - | (6) |
| Profit for the financial year | | 293,000 | 88,016 |

There were no other gains and losses for the year and the prior year, other than those reported in the Profit and Loss Account and consequently no statement of total recognised gains and losses has been presented

There are no material differences between the profit on ordinary activities as reported above and its historical cost equivalents

The results shown above are derived from continuing operations

The notes on pages 8 to 12 form part of these accounts

Hammersmith Enterprises Limited

Balance Sheet as at 2 October 2010

(Registered Number FC019674)

| | Note | 2 October 2010 £'000 | 3 October 2009 £'000 |
|--|------|----------------------------|----------------------------|
| Fixed assets | | | |
| Investments | 7 | 1,299,570 | 1,299,570 |
| Current assets | | | |
| Debtors | 8 | 15,098 | 15,098 |
| Cash at bank and in hand | | 22 | 22 |
| | | 15,120 | 15,120 |
| Creditors amounts falling due within one year | 9 | (6) | (6) |
| Net Current Assets | | 15,114 | 15,114 |
| Total assets less current liabilities | | 1,314,684 | 1,314,684 |
| Net assets | | 1,314,684 | 1,314,684 |
| Equity capital and reserves | | | |
| Called up share capital | 10 | 68 | 68 |
| Share premium account | 11 | 1,314,600 | 1,314,600 |
| Profit and loss account | 11 | 16 | 16 |
| Total equity shareholder's funds | 12 | 1,314,684 | 1,314,684 |

The financial statements on pages 6 to 12 were approved by the Board of Directors on 14 February 2011 and were signed on its behalf by



N Cook
Director
14 February 2011

Hammersmith Enterprises Limited

Notes to the Financial Statements for the Year Ended 2 October 2010

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom, on a basis consistent with the prior period. The principal accounting policies are set out below.

The Company is a wholly owned subsidiary of a group headed by The Walt Disney Company and is included in the consolidated financial statements of that company, which are publicly available.

a) Accounting reference date

The Company has taken advantage to end the accounting period on the closest Saturday to 30 September each year. An accounting reference date of 2 October 2010 has been adopted for the current year.

The financial year represents the 52 weeks ended Saturday 2 October 2010 (prior year the 53 weeks ended 3 October 2009).

b) Cash flow statement

The Company is a wholly owned subsidiary of Wedco Participants (Luxembourg) SCA, whose ultimate parent is The Walt Disney Company, incorporated in the United States of America, and is included in its consolidated financial statements, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

c) Investments and Investment Income

Investments are stated at cost. Provision is made where in the opinion of the Directors there has been a permanent diminution in value. Income from investments is included only to the extent of dividends received.

d) Employees

The Company does not have any employees (2009: nil).

e) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

2 Operating profit

Auditors' remuneration is borne by a subsidiary company, The Walt Disney Company Limited for the year ended 2 October 2010 and 3 October 2009.

3 Directors' emoluments

During the period, amounts paid to Directors in respect of their qualifying services to the Company were £nil (2009: £nil). The Directors are remunerated by The Walt Disney Company Limited, and details are available in the financial statements of that company.

Hammersmith Enterprises Limited
Notes to the Financial Statements for the Year Ended 2 October 2010
(continued)

4 Income from shares in group undertakings

| | Year ended 2 October 2010 £'000 | Year ended 3 October 2009 £'000 |
|--|--|--|
| Dividends received from group undertakings | 293,000 | 88,000 |

On 1 September 2010 the Company received a cash dividend of £293m from Walt Disney International Limited

5 Tax on profit on ordinary activities

The charge for taxation is based upon the taxable profit for the year and comprises

| | 2 October 2010 £'000 | 3 October 2009 £'000 |
|---------------------------|----------------------------|----------------------------|
| Current tax: | | |
| UK corporation tax at 28% | - | 6 |
| Total current tax | - | 6 |

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

| | 2 October 2010 £'000 | 3 October 2009 £'000 |
|--|----------------------------|----------------------------|
| Profit on ordinary activities before taxation | 293,000 | 88,022 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% | 82,040 | 24,646 |
| Dividends received | (82,040) | (24,640) |
| Current tax charge for period | - | 6 |

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

Hammersmith Enterprises Limited
Notes to the Financial Statements for the Year Ended 2 October 2010
(continued)

6 Dividends

| | Year ended 2 October 2010 £'000 | Year ended 3 October 2009 £'000 |
|----------------|--|--|
| Dividends paid | 293,000 | 88,000 |

On 2 September 2010 the Company paid a cash dividend of £293,000,000 to Wedco Participations (Luxembourg) SCA

7 Investments

| | Shares in group undertakings £'000 |
|--------------------------------------|--|
| Cost | |
| At 4 October 2009 | 1,299,570 |
| Additions for the year | - |
| Net book amount At 2 October 2010 | 1,299,570 |
| At 3 October 2009 | 1,299,570 |

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

| | Business | Country of registration/ Incorporation | Proportion of nominal value of shares held |
|-------------------------------------|---|--|--|
| Shares in group undertakings | | | 2010 2009 |
| Walt Disney International Limited | Holding company for subsidiaries in the UK | England | 100% 100% |

8 Debtors

| | 2 October 2010 £'000 | 3 October 2009 £'000 |
|---|----------------------------|----------------------------|
| Amounts owed by fellow subsidiary undertaking | 15,098 | 15,098 |
| Total | 15,098 | 15,098 |

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

Hammersmith Enterprises Limited
Notes to the Financial Statements for the Year Ended 2 October 2010
(continued)

9 Creditors: Amounts falling due within one year

| | 2 October 2010 £'000 | 3 October 2009 £'000 |
|---|----------------------------|----------------------------|
| Amounts owed to fellow subsidiary undertaking | 6 | 6 |
| Total | 6 | 6 |

Amounts owed to group undertakings are interest free, repayable on demand and unsecured

10 Called up share capital

| | 2 October 2010 £ | 3 October 2009 £ |
|---|------------------------|------------------------|
| Authorised and allotted | | |
| 19,000 Ordinary shares of £1 each | 19,000 | 19,000 |
| 20,000 preference 'A' shares of £1 each | 20,000 | 20,000 |
| 7,500 preference 'B' shares of £1 each | 7,500 | 7,500 |
| 6,000 preference 'C' shares of £1 each | 6,000 | 6,000 |
| 15,000 preference 'E' shares of £1 each | 15,000 | 15,000 |
| Allotted and fully paid 1 Ordinary Share of £1 each | 67,500 | 67,500 |

All or any of the preference shares may at any time after their issue be redeemed by the Company with consent in writing of the holder of the preference shares or upon notifying the holders thereof in writing or as may otherwise be specifically agreed between the holders of the preference shares and the Company in writing

The holder of preference shares shall be entitled to dividends on the preference shares, in the amounts, if any, declared by the Directors of the Company

There is no difference in rights between the different classes of preference shares

11 Reserves

| | Share Premium Account £'000 | Profit and Loss Account £'000 |
|-------------------------------|-----------------------------------|--|
| At 4 October 2009 | 1,314,600 | 16 |
| Profit for the financial year | - | 293,000 |
| Dividends paid | - | (293,000) |
| At 2 October 2010 | 1,314,600 | 16 |

Hammersmith Enterprises Limited
Notes to the Financial Statements for the Year Ended 2 October 2010
(continued)

12 Reconciliation of movements in shareholder's funds

| | 2 October 2010 £'000 | 3 October 2009 £'000 |
|---|----------------------------|----------------------------|
| Profit for the financial year | 293,000 | 88,016 |
| Dividends paid | (293,000) | (88,000) |
| Net proceeds on the issue of ordinary share capital | - | 1,139,391 |
| Net increase in shareholder's funds | - | 1,139,407 |
| Shareholders' funds at start of period | 1,314,684 | 175,277 |
| Shareholders' funds at end of period | 1,314,684 | 1,314,684 |

13 Ultimate parent undertaking

Ultimate parent

Hammersmith Enterprises Limited is a wholly owned subsidiary of Wedco Participations (Luxembourg) SCA, whose ultimate parent is The Walt Disney Company incorporated in the United States of America. The controlling and ultimate controlling party is The Walt Disney Company incorporated in the United States of America.

Parent undertaking

The largest and smallest group for which consolidated accounts are prepared and of which the Company is a member is as follows:

| | |
|--|---|
| Name | The Walt Disney Company |
| Country of Incorporation | United States of America |
| Address from where copies of the group accounts can be obtained | 500 South Buena Vista St Burbank, California 91521-9722 USA |

14 Related party transactions

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