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HAMMERSMITH ENTERPRISES LIMITED

ANNUAL REPORT AND ACCOUNTS  
30 SEPTEMBER 1999



## **HAMMERSMITH ENTERPRISES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999**

The directors present their report and the audited accounts of the company for the year ended 30 September 1999.

#### **PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS**

The company holds an investment in Walt Disney International Limited. It will continue in this capacity.

#### **RESULTS AND DIVIDENDS**

The company's profit before tax was £3,500,000 (1998: £8,975,104).

Dividends of £ 3,500,000 (1998: £8,975,104) were paid during the year.

The results for the year are set out in the profit and loss account on page 3.

#### **DIRECTORS**

The directors who served on the Board during the year and to the date of this report were as follows:

S Litvack

K Peterson (resigned 5<sup>th</sup> November 1999)

C Rose

P Wiley (appointed 5<sup>th</sup> November 1999)

None of the directors have any beneficial interest in the share capital of the company.

## **HAMMERSMITH ENTERPRISES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999 (Continued)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

By Order of the Board on .... December 1999

# **HAMMERSMITH ENTERPRISES LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1998**

	<u>Notes</u>	<u>1999</u> £'000	<u>1998</u> £'000	<u>1997</u> £'000
Dividends Received		<u>3,500</u>	<u>8,975</u>	<u>27,649</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,500</b>	<b>8,975</b>	<b>27,649</b>
Taxation on ordinary activities	<b>2</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>3,500</b>	<b>8,975</b>	<b>27,649</b>
Dividends paid		<u>(3,500)</u>	<u>(8,975)</u>	<u>(27,649)</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>RETAINED PROFITS BROUGHT FORWARD</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>RETAINED PROFITS CARRIED FORWARD</b>		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

There were no other recognised gains or losses in the accounting year.

The notes on pages 5 to 8 form part of these accounts.

# HAMMERSMITH ENTERPRISES LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 1999

	Notes	1999 £'000	1998 £'000	1997 £'000
<b>FIXED ASSETS</b>				
Investments	3	<u>160,179</u>	<u>160,179</u>	<u>515,247</u>
<b>CURRENT ASSETS</b>				
Debtors	4	15,098	15,098	-
<b>CREDITORS: amounts falling due within one year</b>	5	<u>(12,379)</u>	<u>(12,379)</u>	<u>(123,793)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(12,379)</u>	<u>(12,379)</u>	<u>(123,793)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>162,898</u>	<u>162,898</u>	<u>391,454</u>
<b>TOTAL NET ASSETS</b>		<u>162,898</u>	<u>162,898</u>	<u>391,454</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		67	67	67
Share premium account		<u>162,831</u>	<u>162,831</u>	<u>502,211</u>
<b>TOTAL SHAREHOLDERS' FUNDS - Equity Interests</b>	6 & 7	<u>162,898</u>	<u>162,898</u>	<u>502,278</u>

Approved by the Board  
on .... December 1999

Director

The notes on pages 5 to 8 form part of these accounts.

# **HAMMERSMITH ENTERPRISES LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

### **1 ACCOUNTING POLICIES**

#### **(1) Convention**

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **(2) Cash flow Statement**

In accordance with Financial Reporting Standard number 1, the company is exempt from the requirement to prepare a cash flow statement as it is a small company as defined in sections 246 to 249 of the Companies Act 1985.

#### **(3) 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.

### **2 TAXATION**

No taxation is payable in view of the profit for the year.

There is no material deferred taxation.

# HAMMERSMITH ENTERPRISES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1999 (Continued)

### 3 FIXED ASSET

#### INVESTMENTS

<u>Cost and Net Book Value</u>	Shares £
At 1 October 1998	160,179,113
Movement for year	-
At 30 September 1999	<u>160,179,113</u>

The company's sole investment is 160,179,113 ordinary 'A' redeemable shares in Walt Disney International Limited, a television holding company registered in England, the shares of which are not listed on the London Stock Exchange.

In the opinion of the directors the aggregate recoverable value of the investment is not less than the aggregate amount at which those assets are stated in the balance sheet.

### 4 DEBTORS

	30 September 1999 £'000	30 September 1998 £'000	1997 £'000
Amounts owed by fellow subsidiary undertaking	<u>15,098</u>	<u>15,098</u>	

### 5 CREDITORS: amounts falling due within one year

	30 September 1999 £'000	30 September 1998 £'000
Amounts owed to parent company	<u>12,379</u>	<u>12,379</u>
	<u>12,379</u>	<u>12,379</u>

# HAMMERSMITH ENTERPRISES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1999 (Continued)

### 6 SHARE CAPITAL

	30 September 1999 £	30 September 1998 £
Authorised and allotted		
18,000 ordinary shares of £1 each	18,000	18,000
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	<u>15,000</u>	<u>15,000</u>
	<u>66,500</u>	<u>66,500</u>

On December 23, 1997 the company redeemed 20,000 class 'A' preference shares, 6,000 class 'C' preference shares and 8,000 class 'E' preference shares.

### 7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 30 September 1999 £	Period ended 30 September 1998 £
Redemption of shares	-	(340,000,000)
Profit for the year	<u>3,500,000</u>	<u>8,975,104</u>
Net addition/(subtraction) to shareholders funds	3,500,000	331,024,896
Less Dividends paid	<u>(3,500,000)</u>	<u>(8,975,104)</u>
	-	340,000,000
Opening shareholders' funds	<u>162,897,687</u>	<u>502,897,687</u>
Closing shareholders' funds	<u>162,897,687</u>	<u>162,897,687</u>



## HAMMERSMITH ENTERPRISES LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1999 (Continued)

#### 8 ULTIMATE PARENT UNDERTAKING

##### a) Ultimate Parent

The ultimate parent is The Walt Disney Company incorporated in The United States of America.

##### b) Parent Undertaking

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

	<b>Largest</b>	<b>Smallest</b>
<b>Name</b>	The Walt Disney Company	American Broadcasting Companies Inc.
<b>Country of Incorporation</b>	United States of America	England
<b>Address from where copies of the group accounts can be obtained.</b>	500 South Buena Vista St, Burbank California, 91521	77 West 66 <sup>th</sup> Street New York USA 10023/6298

#### 9 RELATED PARTY TRANSACTIONS

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