The Walt Disney Company Limited

(Registered Number 530051)

Directors' report and financial statements for the year ended 28 September 2013

The Walt Disney Company Limited

Directors' report for the year ended 28 September 2013

The directors present their report and audited financial statements of The Walt Disney Company Limited (the 'Company') for the 52 weeks ended 28 September 2013 (prior year was for 52 weeks ended 29 September 2012).

Principle activities, business review and future developments

The activities of the Company include television licensing, character merchandising and publications, television broadcast activities, film distribution, marketing, sales and distribution of home entertainment products, theatrical productions, property management, internet activities and the sale of land only vacation packages and other ancillary activities. These activities are expected to continue for the foreseeable future.

The results for the Company show a profit after tax for the financial year of £134,558,000 (2012: £150,710,000) and turnover of £1,487,679,000 (2012: £1,511,875,000). The decline in profitability is mainly due to a reduction in dividend income of £39,347,000 offset to some extent by a tax credit which relates to a refund of prior year payments from ESPN (Europe, Middle East, Africa) Limited (£19,838,000) and the reversal of prior period accruals for group relief payments to other UK group companies (£9,629,000) due to a change in company policy. Dividend income totalling £25,880,000 (2012: £65,227,000) was received during the year and dividends of £29,524 per ordinary share were paid during the year, totalling £31,000,000 (2012: £206,667 per ordinary share, totalling £217,000,000).

Principal risks and uncertainties

The activities of the Company are broad and complex and as such a wide range of factors could materially affect future developments and performance. The most significant factors affecting our operations include the following:

(1) Changes in UK and Europe wide economic conditions
A decline in economic activity in the UK and across European markets in which we do business can adversely affect demand for any of our businesses, thus reducing our revenues. Economic conditions can also impair the ability of those with whom we do business to satisfy their obligations to us. In addition, an increase in price levels generally could result in a shift in consumer demand away from the entertainment and consumer products we offer, which could also adversely affect our revenues and, at the same time, increase our costs. Changes in exchange rates for foreign currencies may reduce demand or reduce the value of revenue we receive from other markets.

(2) Changes in public and consumer tastes and preferences
Our businesses distribute entertainment and consumer products whose success depends substantially on consumer tastes and preferences that change in often unpredictable ways. The success of our businesses depends on our ability to consistently distribute filmed entertainment, TV programming, online material, electronic games and consumer products that meet the changing preferences of our broad consumer market.

(3) Changes in technology and in consumer consumption patterns
The media entertainment and internet businesses in which we participate depend significantly on our ability to exploit new technologies to distinguish our products and services from those of our competitors. In addition, new technologies affect the demand for our products, the manner and markets in which our products are distributed to consumers and the time and manner in which consumers acquire and view some of our entertainment products.

(4) Intellectual property rights
The value to us of our non-exclusive rights to intellectual property is dependent on the scope of our rights as defined by applicable laws in the U.S., the UK and other European markets and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent of our rights, or if existing laws are changed, our ability to generate revenue from our intellectual property rights may decrease. The unauthorized use of intellectual property in the entertainment industry generally continues to be a significant challenge for intellectual property rights holders.

With respect to each of the risks noted above the Directors regularly review such matters to mitigate their respective impact on the Company.

Key performance indicators ("KPIs")

The Company's directors are of the opinion that analysis using KPIs is not relevant for an understanding of the development, performance or position of the business and the key financial performance measurements are reflected in these financial statements.

Financial risk management

The Company's operations expose it to financial risks. The most significant are described below.

(1) Credit risk: The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is assessed continually by the Company's credit control function.

(2) Foreign exchange risk: The Company may hold assets and liabilities denominated in foreign currencies. No derivative financial instruments are used to manage the risk of fluctuating exchange rates, so no hedge accounting is applied. The Company has in place a foreign exchange policy, driven by the ultimate parent company, The Walt Disney Company, and will reconsider the appropriateness of this policy should operations change in nature.

(3) Interest rate risk: The Company can have interest bearing assets and liabilities. The Company monitors its portfolio of interest bearing assets and liabilities and their financial impact. The Company will reconsider the appropriate structure of its portfolio should operations change in size or nature.

Directors

The directors who held office during the year and up to the date of signing the financial statements are as follows:

P Wiley
D Lerner
S Bailey
A Widger
M Endemano

Charitable donations

During the year the Company made charitable contributions totalling £2,093,717 (2012: £3,199,199) to charities. In 2013, the main beneficiary of the Company's charitable contributions was the Great Ormond Street Hospital who received £1,569,692 (2012: £2,617,858). In addition to this, the Company also donated to various causes and activities to benefit the local community.

Directors' report for the year ended 28 September 2013 (continued)

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled whilst in employment, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the

training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

Consultation with employees has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made which are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units, and of the Company as a whole. Communication with all employees continues through newsletters, briefing groups and the availability of the annual report.

Creditor payment policy

The Company aims to pay all of its creditors in accordance with contractual and other legal obligations. The creditor days at year end is 35 days (2012: 36 days).

Statement of directors' responsibilities

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 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 year. 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.

The Walt Disney Company Limited

Directors' report for the year ended 28 September 2013 (continued)

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/she ought to have taken in his duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board on 9 May 2014

Andrew W

A Widger
Director

Registered Office
3 Queen Caroline Street
Hammersmith
London W6 9PE

Independent auditors' report to the members of The Walt Disney Company Limited

We have audited the financial statements of The Walt Disney Company Limited (the 'Company') for the year ended 28 September 2013 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 Statement of directors' responsibilities 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.

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. In addition, we read all the financial and non-financial information in the Directors report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 28 September 2013 and of its profit 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.

Independent auditors' report to the members of The Walt Disney Company Limited (continued)

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.

Nicholas Smith (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 May 2014

The Walt Disney Company Limited

Profit and loss account for the year ended 28 September 2013

	Note	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Turnover	2	**1,487,679**	1,511,875
Cost of sales		**(1,140,333)**	(1,175,302)
Gross profit		**347,346**	336,573
Administrative expenses		**(201,169)**	(183,565)
Operating profit	*2,5*	**146,177**	153,008
Impairment of fixed asset investments	*12*	**(3,436)**	-
Income from liquidation of fixed asset investment	*12*	**2,342**	-
Gain on disposal of property		**-**	3,691
Forgiveness of intercompany debt		**(716)**	-
Income from shares in group undertakings	*7*	**25,880**	65,227
Interest receivable and similar income	*3*	**568**	970
Interest payable and similar charges	*4*	**(41,321)**	(41,845)
Profit on ordinary activities before taxation		**129,494**	181,051
Tax on profit on ordinary activities	*8*	**5,064**	(30,341)
Profit for the financial year	*19*	**134,558**	150,710

There is no material difference between the profit on ordinary activities as reported above and its historical cost equivalent.

There were no recognised gains or losses for the year other than those included in the profit and loss account above, and therefore no separate statement of total gains and losses has been presented.

The results shown above are derived from continuing operations.

The notes on pages 10 to 29 form part of these financial statements.

The Walt Disney Company Limited

Balance sheet as at 28 September 2013
(Registered Number 530051)

	Note	28 September 2013 £'000	29 September 2012 £'000 Re-stated
Fixed assets			
Intangible assets	*10*	**68,646**	74,892
Tangible assets	*11*	**98,669**	97,953
Investments	*12*	**1,211,733**	1,206,526
		1,379,048	1,379,371
Current assets			
Stocks	*13*	**8,969**	8,499
Debtors	*14*	**665,177**	634,282
Cash at bank and in hand		**39,802**	105,947
		713,948	748,728
Creditors: amounts falling due within one year	*15*	**(342,814)**	(477,135)
Net current assets		**371,134**	271,593
Total assets less current liabilities		**1,750,182**	1,650,964
Creditors: amounts falling due after more than one year	*15*	**(738,141)**	(738,141)
Provisions for liabilities	*16*	**(2,218)**	(2,218)
Net assets		**1,009,823**	910,605
Capital and reserves			
Called up share capital	*17*	**1**	1
Share premium account	*18*	**909,394**	909,394
Profit and loss account	*18*	**100,428**	1,210
Total shareholders' funds	*19*	**1,009,823**	910,605

The financial statements on pages 8 to 29 were approved by the Board of Directors on 9 May 2014 and were signed on its behalf by:

A Widger
Director

9 May 2014

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the UK on a basis consistent with the prior year. The principal accounting policies are set out below.

a) Fixed asset investments and investment income

Fixed asset investments are stated at historical cost. Provision is made where in the opinion of the directors an investment is impaired. Income from investments is included to the extent of dividends and distributions received. Impairment reviews are performed when there has been an indication of potential impairment.

b) Goodwill and other intangible fixed assets

When the costs of an acquisition exceed the fair values attributable to the net assets acquired, the difference is treated as goodwill. Under Financial Reporting Standard ('FRS') 10 'Goodwill and intangible assets', goodwill should be reviewed for impairment at the end of the first full year following the acquisition ('the first year review').

Acquired brands and other intangible assets which are controlled through custody or legal rights and could be sold separately from the rest of the business are capitalised, where the fair value can be reliably measured.

The cost of capitalised goodwill and intangible assets is amortised on a straight line basis over their limited useful economic lives. Impairment reviews are carried out to ensure that goodwill and intangible assets are not carried at above their recoverable amounts. Any amortisation or impairment write downs are charged to the profit and loss account.

Amortisation is calculated on a straight line basis at rates estimated to write off the cost of the assets over their estimated useful lives. The principal annual rate in use for both goodwill and intangible assets is a period of fifteen years.

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Costs that are directly attributable to the development of new business application hardware and software, which are incurred during the year prior to the date that the systems are placed into operational use, are capitalised. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated on a straight line basis at rates estimated to write off the cost of the assets over their estimated useful lives. The principal useful lives in use are:

Office equipment, furniture, fixtures and fittings	-	10 years
Information Systems	-	3 years, depreciation commencing when systems are placed into operational use
Buildings	-	39 ½ years
Leasehold improvements	-	over the term of the lease

1 Accounting policies (continued)

d) Taxation

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

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax 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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average 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 that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

e) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the profit and loss account in the year in which they are incurred on a straight line basis.

f) Turnover

Television licensing income is recognised in the year in which the features are available for immediate delivery, the license period has begun and the arrangement fee is reasonably assured.

Television subscription turnover is recognised in the month of subscription.

Income from internet advertising is recognised on the publishing of advertisements.

Licensing income from character merchandising, publications and home entertainment is recognised in the year in which the licensee makes the equivalent sale. Minimum guarantees and advances on such licences are deferred and offset against licensing income as it is earned. Any minimum guarantee which is not earned out by the end of the contract is recognised on that date, to the extent cash is assured.

Media distribution advances on licenses are deferred, then offset against income when the license period begins.

Income from film distribution is based on a percentage share of gross Box Office and is recognised when the film is exhibited.

Income from The Lion King stage show is recognised on the date of the performance.

Income from hotel and park admission is recognised on the arrival date of the customer.

1 Accounting policies (continued)

f) Turnover (continued)

Income from home entertainment films and games, which arises mainly in the United Kingdom, is recognised on the later of the date when goods are delivered to customers or the release date. Provision has been made for estimated returns in the year that revenue is recognised.

Intercompany revenue is predominantly derived from operating fees paid by Europe, Middle East and Africa ('EMEA') subsidiary and affiliate companies for access to the Disney Group intellectual property for exploitation by those subsidiary and affiliate companies in various EMEA markets.

g) Foreign currencies

Transactions in foreign currencies are translated using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are expressed in sterling at the appropriate rates ruling at the balance sheet date. All foreign exchange gains and losses are taken to the profit and loss account.

h) Pension contributions

Pension contributions are made to a defined contribution scheme. Contributions are charged to the profit and loss account as they fall due. The assets of the scheme are held separately from those of the Company in an independently administered fund.

i) Group financial statements and cash flow statement

The Walt Disney Company Limited is a wholly owned subsidiary of Walt Disney International Limited, whose ultimate parent company is The Walt Disney Company, incorporated in the United States of America. The consolidated financial statements of The Walt Disney Company are publicly available.

Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) 'Cash flow statements'. The Company has also taken advantage of the exemption under section 401 of the Companies Act 2006 from preparing group financial statements as it is a wholly owned subsidiary of The Walt Disney Company and is included within that company's consolidated financial statements.

j) Stocks

Stocks of finished goods and goods for resale are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provisions have been made for obsolescence, based upon aging of inventory, historical and forecasted sales, estimated margins and current events or changes in market conditions. The cost of stock is determined through the use of weighted average methodology.

k) Accounting reference date

The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting year on the closest Saturday to 30 September each year. An accounting reference date of 28 September 2013 has been adopted for the current year. The financial year represents the 52 weeks ended Saturday 28 September 2013 (prior year was 52 weeks ended Saturday 29 September 2012).

1 Accounting policies (continued)

l) Share-based payments

The fair value of grants made under the equity settled employee share option plans is calculated at the date of grant using an appropriate lattice model. Compensation expense for RSUs is based on the market price of the shares underlying the awards on the grant date. In accordance with FRS 20 'Share based payments', the fair value of equity-based awards is charged to the profit and loss account over the vesting period of the awards with a corresponding credit to the profit and loss account reserve. The value of the charge is adjusted to reflect expected and actual levels of option vesting. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to reserves.

The Company is required to compensate The Walt Disney Company for the difference between the market value of the underlying shares on exercise date and the proceeds from exercise of the share options. This intercompany charge is denominated in US Dollars based on the US Dollar market value of the underlying shares and exercise price. The intercompany charge is offset to equity against retained earnings.

m) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2 Segmental reporting

Turnover comprises of television licensing, royalties received from character merchandising and publications, subscription revenue related to television broadcasting, film distribution revenue, sale of home entertainment products, theatrical productions, property management, internet activities, the sale of land only vacation packages and other ancillary activities.

The split of these into categories of turnover during the year was as follows:

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Turnover		
Media networks	**536,736**	584,366
Interactive media group	**42,094**	29,603
Studio entertainment	**228,514**	229,288
Consumer products	**174,831**	161,550
Intercompany and other*	**505,504**	507,068
Total	**1,487,679**	1,511,875

* This relates primarily to the intercompany EMEA operating fee and other activities not directly attributable to the principal business segments.

Notes to the financial statements for the year ended 28 September 2013 (continued)

2 Segmental reporting (continued)

Turnover by geographical origination for the year and prior year is in the UK & Ireland.

The split of turnover into geographical destination during the year was as follows:

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Turnover		
UK & Ireland	**508,299**	481,710
Rest of Europe	**863,794**	947,119
Rest of World	**115,586**	83,046
Total	**1,487,679**	1,511,875

The split of operating profit by segment during the year was as follows:

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000 Re-stated
Operating profit		
Media networks	**205,860**	223,615
Interactive media group	**5,310**	1,823
Studio entertainment	**(8,641)**	3,826
Consumer products	**71,084**	70,408
Intercompany and other*	**(127,436)**	(146,664)
Total	**146,177**	153,008

* This relates to activities which are not directly attributable to the principal business segments. In prior year financial statements foreign exchange gains and losses were presented by segment but as this activity is managed across the Company they are now presented within 'Intercompany and other' and the 2012 comparison has been restated accordingly.

The operating loss in 'Intercompany and other' relates predominantly to shared operating expenses and foreign exchange gains and losses which are not directly attributable to the principal business segments and are thus unallocated.

Notes to the financial statements for the year ended 28 September 2013 (continued)

2 Segmental reporting (continued)

The split of profit on ordinary activities before tax by segment during the year was as follows:

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000 Re-stated
Profit on ordinary activities before taxation		
Media networks	201,709	223,618
Interactive media group	5,310	1,823
Studio entertainment	(8,641)	3,826
Consumer products	71,084	70,408
Intercompany and other*	(139,968)	(118,624)
Total	129,494	181,051

* This relates to activities which are not directly attributable to the principal business segments. In prior year financial statements foreign exchange gains and losses were presented by segment but as this activity is managed across the Company they are now presented within 'Intercompany and other' and the 2012 comparison has been restated accordingly.

The split of net assets by segment during the year was as follows:

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000 Re-stated
Net assets		
Media networks	167,683	233,563
Interactive media group	(7,125)	(2,154)
Studio entertainment	12,554	23,488
Consumer products	33,683	22,216
Intercompany and other*	803,028	633,492
Total	1,009,823	910,605

*Other represents unallocated items which comprise of assets, partially offset by liabilities that cannot practicably be divided between the business segments. These liabilities and assets are investments, cash balances, amounts owed by and to group companies and Corporation tax and VAT balances. In prior year financial statements balances owed by and to business areas within the Company were recorded by segment. These balances are now excluded from the net assets by segment presentation and the 2012 comparison has been restated accordingly.

Net assets by geographical origination for the year and prior year are in UK & Ireland.

Notes to the financial statements for the year ended 28 September 2013 (continued)

3 Interest receivable and similar income

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Bank interest receivable	568	970

4 Interest payable and similar charges

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Interest payable to other group companies	41,321	41,845

5 Operating profit

Operating profit is stated after charging:

		Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Staff costs:			
Wages and salaries		104,556	90,592
Social security costs		11,730	10,504
Other pension costs (note 22)		4,833	4,788
Share-based payments (note 21)		7,280	8,040
Loss on sale/ disposal of tangible fixed assets		-	183
Foreign exchange loss		1,323	12,055
Operating leases	- land and building	3,710	3,609
	- other assets	354	1,889
Amortisation of intangible fixed assets		6,246	6,246
Depreciation		6,561	5,603
Auditors' remuneration	- audit services	388	368
	- other services related to taxation	406	412
	- all other services	53	-

The Walt Disney Company Limited

Notes to the financial statements for the year ended 28 September 2013 (continued)

6 Employee information

The average monthly number of persons (including executive directors) employed by the Company during the year was as follows:

	Year ended 28 September 2013	Year ended 29 September 2012
Employees		
Media networks	**243**	222
Interactive media group	**112**	117
Studio entertainment	**46**	44
Consumer products	**135.**	127
Other *	**970**	916
Total	**1,506**	1,426

* Other relates to employees who are not dedicated solely to one business segment.

7 Dividends

	Year ended 28 September 2013 £'000	Year ended 29 September 2013 £'000
Dividends received	**25,880**	65,227
Dividends paid	**(31,000)**	(217,000)

A dividend of £Nil (CHFNil) (2012: £997,274 (CHF1,500,000)) was received from The Walt Disney Studios (Switzerland) GmbH.

A dividend of £Nil (DKKNil) (2012: £2,148,804 (DKK20,000,000)) was received from The Walt Disney Company ApS.

On the 22 Aug 2013, a dividend of £3,937,008 (SEK40,000,000) (2012: £12,091,587 (SEK134,000,000) was received from The Walt Disney Company Nordic AB.

On the 13 September 2013, a dividend of £5,992,210 (€6,992,108) (2012: £17,602,547 (€ 22,000,000)) was received from The Walt Disney Company (Benelux) B.V.

On the 13 September 2013, a dividend of £7,380,840 (AUD$12,543,000) (2012: £25,986,194 (AUD$41,409,000)) was received from The Walt Disney Company (Australia) Pty Limited.

On the 13 September 2013, a dividend of £8,569,962 (€10,000,000) (2012: £6,400,306 (€8,000,000)) was received from The Walt Disney Company (Germany) GmbH.

On the 23 September 2013, a dividend of £31,000,000 (2012: £217,000,000) was paid to Walt Disney International Limited.

The dividend paid per share was £29,524 (2012: £206,667).

Notes to the financial statements for the year ended 28 September 2013 (continued)

8 Tax on profit on ordinary activities

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

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Tax on profit on ordinary activities:		
(a) Analysis of charge in year		
Current tax:		
UK corporation tax on profit for the year	22,186	27,925
Adjustments relating to prior years	(29,887)	857
	(7,701)	28,782
Double tax relief	(16,570)	(18,004)
Double tax relief adjustment relating to prior years	420	482
	(16,150)	11,260
Foreign tax:		
Current tax on income for the year	16,570	18,004
Adjustments relating to prior years	(420)	(482)
Total current tax	(7,701)	28,782
Deferred tax:		
Origination and reversal of timing differences	3,050	2,172
Adjustments relating to prior years	(413)	(613)
Total deferred tax (note 16)	2,637	1,559
Tax on profit on ordinary activities	(5,064)	30,341

(b) Factors affecting the tax charge for the year:

The tax assessed for the year is lower (2012: lower) than the standard rate of corporation tax in the UK for the year ended 28 September 2013: 23.5% (2012: 25%). The differences are explained below.

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Profit on ordinary activities before tax	129,494	181,051
Expected tax at 23.5% (2012: 25%)	30,431	45,262
Effects of:		
Dividend income	(6,082)	(16,307)
Other permanent differences	1,410	252
Expenses not deductible for tax purposes	74	85
Depreciation in excess of capital allowances	(209)	132
Other timing differences	(445)	367
Utilisation of tax losses brought forward	(907)	(1,866)
Utilisation of losses from group companies	(2,086)	-
Adjustments relating to prior years	(29,887)	857
Current tax (credit)/charge for year	(7,701)	28,782

8 Tax on profit on ordinary activities (continued)

A number of changes to the UK Corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2013 which was substantially enacted on 2 July 2013 includes legislation reducing the main rate of Corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. These future changes had been substantially enacted at the balance sheet date and therefore have been applied in these financial statements.

During the year, the Company recorded a prior year tax credit of £29,877,000. £19,838,000 relates to the refund of payments which the Company made to ESPN (Europe, Middle East, Africa) Limited ('ESPN EMEA') in previous periods. On 1 August 2013, ESPN EMEA was sold to British Telecommunications Plc ('BT'). Subsequently to the date of sale, ESPN and Disney reached a commercial agreement to repay the consideration received by ESPN EMEA from the Disney UK companies made in prior periods. £9,629,000 of the prior year tax credit also arises because of the reversal of prior period accruals for group relief payments to other UK group companies following a change in group policy that payments are no longer required for the surrender of tax losses.

9 Directors' emoluments

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Aggregate emoluments, gains on share options exercised, other benefits in kind and directors' services recharged by other group companies	**5,582**	3,869
Company contributions paid to pension scheme	**84**	60
Highest paid director		
Total amount of services recharged by other group companies	**3,285**	2,487
Company contributions paid to pension scheme	-	-

The services of one (2012: two) of the directors was recharged to The Walt Disney Company Limited by other group companies and the aggregate cost to The Walt Disney Company Limited was £3,284,586 (2012: £2,607,333).

The remaining four directors in service during the year were remunerated directly by The Walt Disney Company Limited and retirement benefits accrued to all directors (2012: four). All four directors received and exercised share options under long term incentive schemes during the year (2012: four).

10 Intangible assets

	Goodwill £'000
Cost	
At 30 September 2012	136,248
At 28 September 2013	**136,248**
Accumulated amortisation	
At 30 September 2012	61,356
Charge for the year	6,246
At 28 September 2013	**67,602**
Net carrying amount	
At 28 September 2013	**68,646**
At 29 September 2012	74,892

11 Tangible fixed assets

	Office equipment, furniture, fixtures and fittings £'000	Information systems £'000	Buildings, leasehold improvements £'000	Total £'000
Cost				
Re-stated At 30 September 2012	16,098	18,204	115,243	149,545
Additions	1,344	5,602	331	7,277
Disposals	(3,289)	(10,694)	(323)	(14,306)
At 28 September 2013	**14,153**	**13,112**	**115,251**	**142,516**
Accumulated depreciation				
Re-stated At 30 September 2012	11,927	10,489	29,176	51,592
Charge for the year	988	1,491	4,082	6,561
Disposals	(3,289)	(10,694)	(323)	(14,306)
At 28 September 2013	**9,626**	**1,286**	**32,935**	**43,847**
Net book amount				
At 28 September 2013	**4,527**	**11,826**	**82,316**	**98,669**
At 29 September 2012	4,171	7,715	86,067	97,953

The opening cost and accumulated depreciation balances of tangible fixed assets have been restated to reflect asset retirements which were not properly reflected in the prior year financial statements. There was no net book value impact arising from this restatement. Both opening cost and accumulated depreciation have been increased by £10,487,000.

12 Fixed asset investments

	Shares in group undertakings	Participating interests	Total
	£'000	£'000	£'000
Cost at 30 September 2012	1,201,791	4,735	1,206,526
Additions for the year*	20,643	-	20,643
Liquidation of 1 Hammersmith Broadway Limited	(12,000)	-	(12,000)
Impairment charge for the year	-	(3,436)	(3,436)
Net book amount			
At 28 September 2013	**1,210,434**	**1,299**	**1,211,733**
29 September 2012	1,201,791	4,735	1,206,526

*The additions for the year relate to the acquisition of Das Vierte GmbH.

1 Hammersmith Broadway Limited was liquidated on 21 June 2013 and resulted in a distribution of £2,342,000.

The directors believe that the carrying value of the investments is supported by their underlying net assets or the net present value of their discounted future cash flows.

Details of investments are set out below:

Shares in group undertakings	Business	Country of registration/ incorporation	Proportion of nominal value of voting shares held 2013	2012
1 Hammersmith Broadway Limited (Liquidated in 2013 fiscal year)	Property management	England	-	100%
The Walt Disney Company (Austria) GmbH	Commercial use of Disney rights	Austria	100%	100%
The Walt Disney Company (Benelux) BVBA	Commercial use of Disney rights	Belgium	100%	100%
The Walt Disney Company ApS	Commercial use of Disney rights	Denmark	100%	100%
The Walt Disney Company (Germany) GmbH	Commercial use of Disney rights	Germany	100%	100%
The Walt Disney Company Italia S.r.l.	Commercial use of Disney rights	Italy	100%	100%
Wedco Benelux Holdings (Netherlands) B.V.	Holding company	Netherlands	100%	100%

12 Fixed asset investments (continues)

Shares in group undertakings (continued)	Business	Country of registration/ incorporation	Proportion of nominal value of voting shares held	
			2013	2012
The Walt Disney Company (Benelux) B.V.	Commercial use of Disney rights	Netherlands	100%	100%
The Walt Disney Studios (Switzerland) GmbH	Commercial use of Disney rights	Switzerland	100%	100%
The Walt Disney Company (Australia) Pty Limited	Commercial use of Disney rights	Australia	100%	100%
Walt Disney International France S.A.S.	Holding company	France	100%	100%
The Walt Disney Company Nordic AB	Commercial use of Disney rights	Sweden	100%	100%
The Walt Disney Company Medya Eglence ve Ticaret Limited Sirketi	Commercial use of Disney Rights	Turkey	99%	99%
Das Vierte GmbH	Broadcast Channel	Germany	100%	-

The Company is a wholly-owned subsidiary of Walt Disney International Limited and is included in the consolidated financial statements of The Walt Disney Company which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Participating interests

FilmFlex Movies Limited	Video on Demand	England	50%	50%

The impairment charge for the year relates to FilmFlex Movies Limited where the investment carrying value was written down from £4,736,000 to £1,299,000.

13 Stocks

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Finished goods and goods for resale	8,969	8,499

14 Debtors

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000 Re-stated
Trade debtors	123,757	121,395
Amounts owed by group undertakings	292,219	240,481
Other debtors	6,172	10,912
Corporation tax	23,857	-
Deferred tax asset	10,559	13,196
Prepayments and accrued income	208,613	248,298
Total	665,177	634,282

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

The deferred tax asset is expected to be realised after more than one year.

15 Creditors

Amounts falling due within one year

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Trade creditors	18,272	17,693
Amounts owed to group undertakings	203,020	353,041
Other taxation and social security	15,202	8,564
Corporation tax	-	12,924
Accruals and deferred income	106,320	84,913
Total	342,814	477,135

Amounts owed to group undertakings are unsecured, repayable on demand and are not interest bearing.

Amounts falling due after more than one year

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Amounts owed to group undertakings	738,141	738,141
Total	738,141	738,141

15 Creditors (continued)

Amounts falling due after more than one year (continued)

Amounts owed to group undertakings are unsecured, repayable in 2014 and bear interest at rates of 6.3% on principal balance of £594,317,000 and 2.6% (GBP 12 month LIBOR plus 132 base points per annum) on principal balance of £143,824,000.

16 Provision for liabilities

	Property related provision £'000	Deferred tax (asset) / liability £'000
At 30 September 2012	2,218	(13,196)
Added/(Utilised) in the year	-	1,329
Prior year under provision	-	(413)
Tax rate adjustment	-	1,721
As at 28 September 2013	**2,218**	**(10,559)**

The deferred tax asset (accounted for in note 14) comprises the following amounts:

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Accelerated capital allowances	**684**	1,318
Short term timing differences	**2,587**	3,412
Tax losses	**7,288**	8,466
Undiscounted deferred tax asset	**10,559**	13,196
Asset at start of year	**13,196**	14,755
Amount charged to profit and loss	**(1,329)**	(943)
Tax rate adjustment	**(1,721)**	(1,229)
Prior year under provision	**413**	613
Asset at end of year	**10,559**	13,196

Notes to the financial statements for the year ended 28 September 2013 (continued)

17 Called up share capital

	Year ended 28 September 2013 £	Year ended 29 September 2012 £
Authorised		
1,100 Ordinary shares of £1 each (2012: 1,100)	**1,100**	1,100
Allotted and fully paid		
1,050 Ordinary shares of £1 each (2012: 1,050)	1,050	1,050

18 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 30 September 2012	909,394	1,210	910,604
Share-based payment current year charge	-	7,280	7,280
Share-based payment to parent company	-	(11,620)	(11,620)
Dividends paid	-	(31,000)	(31,000)
Profit for the financial year	-	134,558	134,558
As at 28 September 2013	**909,394**	**100,428**	**1,009,822**

19 Reconciliation of movements in shareholders' funds

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Share-based payments	**(4,340)**	(33,202)
Dividends paid	**(31,000)**	(217,000)
Transfers	-	(3,691)
Profit for the financial year	**134,558**	150,710
Opening shareholders' funds	**910,605**	1,013,788
Closing shareholders' funds	**1,009,823**	910,605

20 Financial commitments

The Company has annual commitments under non-cancellable operating leases expiring as follows:

	Year ended 28 September 2013 £'000	Year ended 29 September 2012 £'000
Land and buildings		
Within one year	85	-
Between two and five years	346	176
After five years	3,279	3,434
Other operating leases		
Within one year	12	-
Between two and five years	342	1,899
Total	4,064	5,509

21 Share-based payments

Under the Disney Discretionary Stock Option Scheme, certain employees of the Company may be granted options to acquire shares of stock in the ultimate parent company, The Walt Disney Company, at exercise prices equal to or exceeding the market price at the date of grant. Options vest equally over a four-year period from the date of grant and expire seven to ten years after the date of grant. Restricted stock units (RSUs) generally vest equally on each of the four anniversaries of the grant date. Certain RSUs awarded to senior executives vest based upon the achievement of performance conditions. The share options are settled using the equity instruments of the Company's ultimate parent company, The Walt Disney Company.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2013 Weighted average exercise price in £ per share	Options	2012 Weighted average exercise price in £ per share	Options
At start of the year	21.54	829,701	20.21	1,131,211
Granted	28.24	349,218	23.65	289,039
Forfeited	23.48	(153,444)	20.00	(109,875)
Exercised	19.87	(357,048)	18.25	(480,674)
At end of the year	25.72	668,427	21.54	829,701

21 Share-based payments (continued)

Share options outstanding at the end of the year have the following terms:

	Outstanding			Exercisable	
Exercise prices £	Number of options	Weighted average remaining years of contractual life	Weighted average exercise price in £ per share	Number of options	Weighted average exercise price in £ per share
12.2 – 16.0	23,210	2.06	13.56	23,210	13.56
16.1 – 25.6	412,585	6.50	22.90	268,079	22.27
25.7 – 40.3	232,632	9.30	31.92	40,631	31.92

The weighted average share price of Disney options exercised during the year was £19.87 (2012: £18.25).

Details of the restricted shares activity is as follows:

	2013 Number of restricted shares	2012 Number of restricted shares
At start of the year	**760,790**	903,779
Granted	**251,857**	293,891
Forfeited	**(103,743)**	(109,715)
Exercised	**(308,723)**	(327,165)
At end of the year	**600,181**	760,790

Year of vesting	Number of restricted shares
2014	255,685
2015	186,006
2016	108,277
2017	50,213

The restricted stock issued during 2013 vests equally on each of the four anniversaries of the grant date and has a remaining contractual life of ten years. There are no performance conditions attached to the issue.

The liability related to the restricted shares at 28 September 2013 is £5,821,000 (2012: £6,380,000).

21 Share-based payments (continued)

Valuation assumptions:

The valuation assumptions used to estimate the Group's share-based compensation expense for the share option plans are summarised below.

The weighted average assumptions used in the Lattice valuation option-pricing model were as follows:

£'000	2013	2012	2011	2010	2009
Risk-free interest rate	1.83%	1.98%	3.23%	3.51%	2.0%
Expected years from grant until exercise	6.67	6.36	6.13	6.11	4.71
Expected volatility	25.64%	30.86%	27.68%	32%	47%
Dividend yield	1.60%	1.56%	1.15%	1.41%	1.19%

The volatility assumption considers both historical and implied volatility and may be impacted by the Group's performance as well as changes in economic and market conditions.

The total stock based compensation charge recognised for the year ended 28 September 2013 was £7,280,000 (2012: £8,040,000), comprised of share option charge of £1,459,000 (2012: £1,660,000) and restricted share charge of £5,821,000 (2012: £6,380,000).

The weighted average grant-date fair value of options granted during the year ended 28 September 2013 as calculated using the Lattice valuation option-pricing model was £7.70 (2012: £6.57).

22 Pensions

Pension benefits for employees are provided under The Walt Disney Retirement Savings Plan (the 'Plan'). The Plan is a defined contribution arrangement with contributions being made by members and the Company on an age-related basis.

The pension cost charge represents the contribution payable by the Company under the rules of the Plan. Pension costs incurred by the Company for the year amounted to £4,833,000 (2012: £4,788,000).

Amounts prepaid in relation to the pension scheme at 28 September 2013 were £Nil (2012: £Nil). Amounts outstanding in relation to the pension scheme at 28 September 2013 were £Nil (2012: £Nil).

23 Related party transactions

The Company is a wholly owned subsidiary of Walt Disney International Limited whose ultimate parent undertaking and controlling party is The Walt Disney Company. Consequently the Company 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 24.

24 Ultimate parent undertaking and controlling party

Ultimate parent

The Walt Disney Company Limited is a wholly owned subsidiary of Walt Disney International Limited whose ultimate parent is The Walt Disney Company, incorporated in the United States of America.

Parent undertaking

The largest and smallest group for which consolidated financial statements 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 financial statements can be obtained	500 South Buena Vista St. Burbank, California 91521-9722 USA