

Magical Cruise Company, Limited
(Registered Number 3157553)

Annual Report and Financial Statements
For The Year Ended 3 October 2009



Magical Cruise Company, Limited

Annual Report and Financial Statements For The Year Ended 3 October 2009

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Magical Cruise Company, Limited

Directors' Report For The Year Ended 3 October 2009

The Directors present their report and the audited financial statements of the Magical Cruise Company, Limited ('the Company') for the 53 weeks to 3 October 2009

Review of activities and future developments

The Company's principal activity is the operation of two luxury cruise vessels. The Directors are satisfied with the performance of the Company and look forward to the future with optimism.

On 24 July 2008, Magical Cruise Company ('MCC') entered into an asset purchase agreement with Disney Cruise Vacations ('DCV') to purchase all assets of DCV with the exception of cash and cash equivalents, accounts and notes receivables, intercompany receivables, and other receivables for the sum of \$818,000. DCV was in the business of soliciting and securing reservations for MCC. DCV and MCC are indirect, wholly-owned subsidiaries of The Walt Disney Company.

MCC also paid DCV additional amounts outside of the asset purchase agreement that included the termination of the booking contract between MCC and DCV. These payments were \$7.5m in administrative expenses for 2008 and 2009 lost revenues, and \$1m for certain recruiting costs related to retaining employees.

It is considered that the Company's activities will remain unchanged for the foreseeable future.

Results and dividends

The Company's loss for the financial year is \$14,313,000 (2008: \$6,335,000 profit). The Directors do not recommend the payment of a dividend (2008: \$Nil).

Principal risks and uncertainties and Future outlook

From the perspective of the Company, its principal risks and uncertainties and future outlook are integrated with those of the group and are not managed separately. Accordingly, The Walt Disney Company's annual report should be referred to in order to gain a more detailed understanding of business performance and related risks and uncertainties.

Key performance indicators ("KPI's")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The Company's operations expose it to financial risks, the most significant of which is 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 subjected to a limit, which is assessed continually by the Company's credit control function. The company's risks as a whole are integrated with those of the group and are not managed separately.

Magical Cruise Company, Limited

Directors' Report For The Year Ended 3 October 2009 (continued)

Directors

The Directors who held office during the year, and up to the date of approval of the accounts, are given below

J Heaney	
C Rose	(resigned 28 September 2009)
N Cook	(resigned 3 June 2010)
J James	
B Swets	
T Wolber	
K Holz	(appointed 4 March 2009)
G Stock	(appointed 20 November 2009)

None of the directors have a beneficial interest in the shares of the Company

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 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.

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 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 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.

Magical Cruise Company, Limited

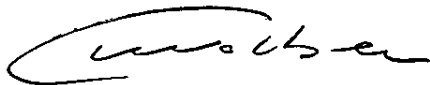
Directors' Report For The Year Ended 3 October 2009 (continued)

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 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.

Provision 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 on 28 June 2010



T Wolber
Director

Registered Office
3 Queen Caroline St
Hammersmith
London
W6 9PE

Magical Cruise Company, Limited

Independent Auditors' Report To The Members Of Magical Cruise Company Limited

We have audited the financial statements of Magical Cruise Company Limited ('the Company') for the year ended 3 October 2009 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 Directors' Responsibilities Statement set out on page 3, 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 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.

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 3 October 2009 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 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.

Magical Cruise Company, Limited

Independent Auditors' Report To The Members Of Magical Cruise 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

Stuart Newman

Stuart Newman (Senior Statutory Auditor)
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

28 June 2010

Magical Cruise Company, Limited

Profit And Loss Account For the Year Ended 3 October 2009

	Note	2009 \$'000	2008 \$'000
Turnover – continuing operations	2	459,702	471,898
Cost of sales		(390,211)	(344,121)
Gross profit		69,491	127,777
Distribution costs		(19,817)	(76,325)
Administrative expenses		(62,688)	(43,166)
Operating (loss)/ profit – continuing operations	3	(13,014)	8,286
(Loss) /profit on ordinary activities before taxation		(13,014)	8,286
Tax credit/ (charge) on profit on ordinary activities	4	1,271	(1,951)
(Loss)/profit for the financial year		(11,743)	6,335

There is no difference between the loss/profit on ordinary activities before taxation and the loss/profit for the years stated above and their historical cost equivalents

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 9 to 18 form part of these accounts

Magical Cruise Company, Limited

Balance Sheet as at 3 October 2009 (Company registration number 3157553)

	Note	2009 \$'000	2008 \$'000 (restated)
Fixed assets			
Tangible assets	5	71,801	61,023
Current assets			
Stock	6	3,613	4,345
Debtors	7	150,464	224,702
Cash at bank and in hand		10,576	7,714
		164,653	236,761
Creditors – amounts falling due within one year	8	(167,444)	(220,412)
Net current (liabilities)/ assets		(2,791)	16,349
Total assets less current liabilities		69,010	77,372
Creditors – amounts due after more than one year	9	(10,466)	(7,085)
Net assets		58,544	70,287
Capital and reserves			
Called up share capital	11	-	-
Share premium account	12	1,063	1,063
Profit and loss account	12	57,841	69,224
Total shareholders' funds	13	58,544	70,287

The financial statements on pages 7 to 18 were approved by the Board of Directors on 28 June 2010 and were signed on its behalf by



T Wolber
Director

The notes on pages 9 to 18 form part of these accounts

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

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 United Kingdom on a basis consistent with the prior year. The principal accounting policies are set out below.

a) Accounting reference date

The Company has taken advantage of flexibility under the Companies Act 2006 to end the accounting period on the closest Saturday to 30 September each year. An accounting reference date of 3 October 2009 has been adopted for the current year.

The financial year represents the 53 weeks ended Saturday 3 October 2009 (prior year the 52 weeks ended 27 September 2008).

b) Reporting currency and presentation

The Financial Statements are presented in US dollars as that is the currency in which the Company generates its net cash flows. The USD / GBP exchange rate at year end was \$1.59 (2008 \$1.84).

c) Turnover

Revenue related to the provision of cruise berths is recognised using the accruals method. All other revenue, including the sale of merchandise, beverage, amenities, and recreational activities provided during the cruises as well as other operating income, is recognised when the goods are delivered or service is provided.

d) Fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. When brought into service, tangible fixed assets are depreciated on a straight-line basis over their estimated useful economic life or the life of the lease, whichever is shorter. Depreciation is provided to write off cost or valuation. The useful economic life of the assets are estimated to be as follows:

Stage show and other on-board entertainment & programming costs	3 to 5 years
Furniture, fixtures, leasehold improvements and equipment	2 to 15 years
Assets under the course of construction	Depreciation commences when assets are placed in service

e) Drydock costs

Drydock costs are broken into two categories:

Overhaul Costs – costs which are typically more repair and maintenance in nature and do not generally add economic value to the vessel. These costs are expensed as incurred,

Additions/Improvements – costs are typical capital costs and add economic value to the vessel. When these assets can be identified and quantified separately, they are depreciated over the shorter of the normal useful life of the asset or the length of the vessel lease.

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

1 Accounting policies (Continued)

f) Stock

Stock is stated at the lower of cost or market value

g) Pension Costs

Contributions are made on behalf of the Company by the parent undertaking to a defined benefit contribution pension plan and are charged to the profit and loss account when they fall due. Pension costs are allocated to the Company based on its share of the cost of contributions for the group as a whole.

h) Cruise deposits

Cruise deposits are recorded upon receipt by the Company's agents.

i) Operating leases

Rental costs under operating leases are charged to operating profit on a straight-line basis over the lease term.

j) Taxation

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

The Company entered the UK tonnage tax regime on 29 June 2008. In 2007 and the period prior to 29 June 2008 the company did not qualify for the UK tonnage tax regime. Accordingly, profits arising prior to 29 June 2008 have been taxed under UK corporation tax rules.

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 net 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.

k) Cash flow statement

The Company is a wholly owned subsidiary of 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).

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

2 Turnover – continuing operations

	2009	2008
	\$'000	\$'000
Cruise revenue	459,702	460,142
Other revenue	-	11,756
Total	459,702	471,898

Cruise revenue consists of amounts earned for the provision of cruise berths as well as amounts earned from the sale of merchandise, beverage, amenities, and recreational activities provided during the cruises. Other revenue, all of which was earned from group undertakings, represents fees charged for the provision of labour and related costs, general accounting, human resources and other administrative services.

3 Operating (loss)/ profit – continuing operations

	2009	2008
	\$'000	\$'000
Operating profit is stated after charging		
Wages and salaries	72,472	58,213
Social security costs	1,175	557
Other pension costs	913	1,037
Staff costs	74,560	59,807
Depreciation of tangible fixed assets	20,550	12,557
Operating lease charges – other	65,324	65,160
Auditors' remuneration		
Fees payable to Company auditor and its associates		
Audit services	253	86

The average number of persons employed by the Company during the year was 2,626 consisting of 1,982 shipboard personnel and 644 administrative personnel (2008 1,982 shipboard personnel and 530 administrative personnel)

The cost of sales for the year, include \$1,860,000 of expense relating to the prior period

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

4 Tax on profit on ordinary activities

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

	2009 \$'000	2008 \$'000
Tax on profit on ordinary activities		
Analysis of charge in period		
Current tax		
UK corporation tax on profits for the period	1,000	6,385
Tonnage Tax	47	14
Adjustments relating to prior years	<u>(2,318)</u>	<u>(2,293)</u>
Total current tax	<u>(1,271)</u>	<u>4,106</u>
Deferred tax		
Origination and reversal of timing differences		
Current year	-	(2,308)
Prior year	-	153
Total deferred tax	<u>-</u>	<u>(2,155)</u>
Tax (credit)/ charge on profit on ordinary activities	<u>(1,271)</u>	<u>1,951</u>

(a) Factors affecting tax charge for the period

The tax assessed for the period is higher (2008 lower) than the standard rate of corporation tax in the UK (2009 28%, 2008 29%). The differences are explained below

	2009 \$'000	2008 \$'000
(Loss) /profit on ordinary activities before taxation	<u>(13,014)</u>	<u>8,286</u>
Expected tax at 28% (2008 29%)	(3,644)	2,403
Effects of		
Expenses not deductible for tax purposes	-	326
Depreciation in excess of capital allowances	-	545
Adjustments relating to prior years	(2,318)	(2,293)
Income taxed outside of tonnage tax ring fence	1,000	305
Tonnage tax income	3,644	2,806
Tonnage tax profit	<u>47</u>	<u>14</u>
Current tax (credit)/ charge for period	<u>(1,271)</u>	<u>4,106</u>

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

5 Tangible fixed assets

	Assets under course of construction \$'000	Stage Shows & other on board entertainment & programming costs \$'000	Furniture, fixtures, leasehold improvements and equipment \$'000	Total \$'000
Cost				
At 27 September 2008	4,146	40,475	86,477	131,098
Additions	30,602	-	-	30,602
Transfers	(21,243)	375	23,056	2,188
Disposals	-	(1,515)	(4,984)	(6,499)
At 3 October 2009	13,505	39,335	104,549	157,389
Accumulated depreciation				
At 27 September 2008	-	34,408	35,667	70,075
Charge for the year	-	2,175	18,375	20,550
Disposals	-	(1,515)	(3,522)	(5,037)
At 3 October 2009	-	35,068	50,520	85,588
Net book amount				
At 3 October 2009	13,505	4,267	54,029	71,801
At 27 September 2008	4,146	6,067	50,810	61,023

6 Stock

	2009 \$'000	2008 \$'000
Food and beverage	1,364	1,450
Merchandise goods for resale	1,045	1,395
Consumables	1,204	1,500
Total	3,613	4,345

The replacement cost of stock does not materially differ from the cost

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

7 Debtors

	2009 \$'000	2008 \$'000
Trade debtors	804	1,167
Amounts owed by group undertakings	145,920	219,305
Prepayments	3,740	4,230
Total	150,464	224,702

Amounts owed by group undertakings, a portion representing called up share capital not paid and amounts due under management service agreements are unsecured, interest free, and have no fixed date of repayment

8 Creditors – amounts falling due within one year

	2009 \$'000	2008 \$'000 (restated)
Trade creditors	12,957	17,424
Amounts owed to group undertakings	55,425	72,199
Taxation and social security	7,845	11,377
Deposits received on future cruises	87,294	114,366
Other accrued expenses	3,923	5,046
Total	167,444	220,412

The amounts owed to group undertakings are unsecured and bear no interest. The amounts have no set repayment date and, therefore, have been classified as due on demand.

The prior year deposits received on future cruises and other accrued expenses balance includes a reclassification of long term balances to creditors due in greater than one year (see note 9)

9 Creditors – amounts falling due after more than one year

	2009 \$'000	2008 \$'000 (restated)
Deposits received on future cruises	9,844	6,410
Other accrued expenses	622	675
Total	10,466	7,085

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

10 Deferred taxation

The provision relates to deferred tax. The deferred tax liability comprises the following amounts:

	2009 \$'000	2008 \$'000
Deferred tax liability at start of period	-	2,155
Deferred tax (credit)/ debit in profit and loss account	-	(2,155)
Deferred tax liability at end of period	-	-

11 Called Up Share capital

	2009 \$	2008 \$
Authorised 100 Ordinary shares of £1 each converted at an exchange rate of \$1.59 (2008 \$1.84)	159	184
Allotted, called up and not paid 2 ordinary shares of £1 each (1 converted at an exchange rate of \$1.70 and 1 converted at \$1.54)	3	3

12 Reserves

	Share Premium Account \$'000	Profit and Loss Account \$'000	Total Reserves \$'000
At 27 September 2008	1,063	69,224	70,287
Loss for the financial year	-	(11,743)	(11,743)
At 3 October 2009	1,063	57,841	58,544

13 Reconciliation of movements in shareholders' funds

	\$'000
Loss for the financial year	(11,743)
Shareholders' funds as at beginning of year	70,287
Shareholder's funds as at 3 October 2009	58,544

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

14 Operating lease commitments and other contractual obligations

The Company has entered into operating leases to operate two luxury cruise vessels for a fifteen-year period. Under the lease agreements, the Company makes semi-annual payments on each cruise vessel of \$18,050,000 and \$16,923,000 beginning one year after each respective cruise vessel becomes operational. During 2009, the Company entered into an operating lease agreement for a warehouse facility located in Orlando, Florida for a period of 4 years and 10 months. The total lease payments due during the next year under the operating lease commitments, analysed by the date the commitments expire, are

	Land and buildings		Other	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000 (restated)
Within one year	220	-	69,946	69,946
Between two and five years	834	-	209,838	279,784
After five years	-	-	-	-

The Company has contractual obligations for maintenance and other services of \$409,000 at 3 October 2009 (2008 \$2,538,560)

The prior year commitment has been restated to include contractual obligations due between two and five years

15 Pension commitments

The shoreside employees of the Company participate in the Group defined benefit pension plan. The defined benefit pension plan is provided under the Walt Disney World Co. & Associated Companies' Retirement Plan and the Disney Salaried Retirement Plan. The cost of contributions to the group scheme is based on pension costs across the Group as a whole. Pension costs incurred by the Company for the year amounted to \$1,026,000 (2008 \$1,037,000)

The Plan is a multi-employer, group defined benefit scheme. Although the scheme is a defined benefit arrangement, it is a multi-employer scheme for which it has not been possible to identify the underlying assets and liabilities attributable to each participating company and therefore has been accounted for as a defined contribution scheme. It has not been possible to identify the underlying assets and liabilities attributable to each participating company. Therefore, the pension cost recognised in the profit and loss account for this scheme represents contributions payable by the Company to the scheme for the year.

Details of the Group defined benefit plan are given in the financial statements of The Walt Disney Company and Subsidiaries. Details of the more significant points of the scheme are discussed below.

The cost is assessed in accordance with the advice of Mercer Human Resources & Investor Solutions, consulting actuaries. The latest actuarial valuation of the scheme was performed as at 30 September 2009 using the five-year weighted average method. The principal assumptions adopted in the valuation were that, over the long term, the investment return would be 7.5% (2008 7.5%) per annum, the rate of salary increase would be 5% (2008 4%), and the discount rate 7.8% (2008 7.0%).

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

15 Pension commitments (continued)

At the date of the latest actuarial valuation at 30 September 2009, the market value of the assets of the scheme was \$2 947million (2008 \$2 921 6 million), and the actuarial value of the assets was sufficient to cover 73 1% (2008 100 2%) of the benefits that had accrued to members, after allowing for expected future increases in earnings

The Company also participates in a Group defined contribution plan. The defined contribution plan is provided under the Disney Salaried Savings and Investment Plan. The Plan calls for contributions being made by its members and the Company on a matching basis. Pension costs incurred by the Company for fiscal 2009 and 2008 were not material.

16 Directors' emoluments

	2009 \$'000	2008 \$'000
Aggregate emoluments	3,956	1,211
Company contributions paid to pension schemes	142	68

Highest paid director

	2009 \$'000	2008 \$'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	1,587	468

Retirement benefits are accruing to 6 Directors (2008 10) under a defined benefit scheme in respect of their qualifying services. No directors exercised share options in the ultimate parent Company in the period (2008 10) and 7 Directors received shares under long term incentive schemes (2008 10)

17 Ultimate parent undertaking and financial support

Ultimate Parent

The ultimate parent, The Walt Disney Company, incorporated in the United States of America, has indicated its present intention to continue providing support to this entity. The directors regard The Walt Disney Company to be the ultimate controlling party.

Immediate Parent

The immediate parent company is Wedco Holdings (Netherlands) BV, incorporated in the Netherlands.

Magical Cruise Company, Limited
Notes To The Financial Statements For The Year Ended 3 October 2009
(continued)

17 Ultimate parent undertaking and financial support (continued)

Parent undertaking

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

Name The Walt Disney Company

Country of incorporation United States of America

Address from which copies of the group accounts can be obtained 500 South Buena Vista Street
Burbank
California 91521
USA

18 Related party transactions

As previously stated, the Company is a wholly owned subsidiary of 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 17.

19 Post balance sheet events

On 23 February 2010, the license agreement dated 26 September 1996, and amended 1 October 2004 between the Company and Disney Enterprises Inc ("DEI") was amended for the second time to reduce the royalty percentage paid to DEI from six percent to five percent. The amended agreement was effective retrospectively to 28 September 2008. An adjustment was recorded in the current year to reduce the cost of sales expense by one percent of \$4,594,000, and increase the intercompany receivable balance by an equal amount.