

Magical Cruise Company, Limited
(Registered Number 3157553)

**Annual Report and Financial Statements
For The Period Ended 2 October
2010**

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Magical Cruise Company Limited

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

Contents

	Pages
Directors' Report	2-4
Independent Auditors' Report to the Members of Magical Cruise Company Limited	5-6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9-19

Magical Cruise Company Limited

Directors' Report For The Period Ended 2 October 2010

The directors present their annual report and the audited financial statements of the Magical Cruise Company, Limited (the "Company") for the period ended 2 October 2010

Review of activities and future developments

The Company's principal activity is the operation of two luxury cruise vessels. The directors consider the results for the period and the financial condition of the Company at the end of the period to be satisfactory and look forward to the future with optimism. During the period, the Company purchased a new cruise vessel, Disney Dream completed in January 2011 as well as the Disney Fantasy to be completed in March 2012.

The Company received a capital contribution of \$97,544,000 from the Company's immediate parent, Wedco Holdings (Netherlands) BV during the period. No shares were issued in exchange.

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 period is \$68,218,000 (2009: \$11,743,000 loss). The directors do not recommend the payment of a dividend (2009: \$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 hedges pricing risk in relation to forecasted future fuel purchases by entering into cash flow hedge relationships. The Company's other risks as a whole are integrated with those of the group and are not managed separately.

Magical Cruise Company Limited

Directors' Report For The Period Ended 2 October 2010 (continued)

Directors

The directors who held office during the period and up to the date of approval of the accounts are given below

J Heaney
N Cook (resigned 3 June 2010)
J James
B Swets
T Wolber
K Holz
G Stock

Post balance sheet events

Events affecting the Company that have occurred since the end of the financial period are disclosed in Note 16 to the financial statements on page 18

Charitable donations

During the period the Company made charitable contributions totalling \$175,000 (2009 \$173,400), to charities. The main beneficiaries of the Company's charitable contributions were the Make a Wish Foundation and Disney Worldwide Conversation Fund in the United States

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

Creditor payment policy

The Company aims to pay all of its creditors in accordance with contractual and other legal obligations

Magical Cruise Company Limited

Directors' Report For The Period Ended 2 October 2010 (continued)

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 period. 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 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

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.

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 29 June 2011



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 Period Ended 2 October 2010 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 pages 3 and 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.

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 2 October 2010 and of its loss for the period 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 period 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



Sonia Copeland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 June 2011

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010

Profit And Loss Account For the Period Ended 2 October 2010

	Note	2010 \$'000	2009 \$'000
Turnover – continuing operations	2	411,403	459,702
Cost of sales		(374,935)	(390,211)
Gross profit		36,468	69,491
Distribution costs		(36,497)	(19,817)
Administrative expenses		(68,899)	(62,688)
Operating loss– continuing operations	3	(68,928)	(13,014)
Loss on ordinary activities before taxation		(68,928)	(13,014)
Tax credit on loss on ordinary activities	4	710	1,271
Loss for the financial period		(68,218)	(11,743)

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

There were no recognised gains or losses for the period 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 19 form part of these accounts

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010

Balance Sheet as at 2 October 2010
(Company registration number: 3157553)

	Note	2010 \$'000	2009 \$'000
Fixed assets			
Tangible assets	5	89,871	71,801
Current assets			
Stocks	6	6,483	3,613
Debtors	7	148,177	150,464
Cash at bank and in hand		110,018	10,576
		264,678	164,653
Creditors – amounts falling due within one year	8	(259,772)	(167,444)
Net current assets /(liabilities)		4,906	(2,791)
Total assets less current liabilities		94,777	69,010
Creditors – amounts due after more than one year	9	(6,705)	(10,466)
Net assets		88,072	58,544
Capital and reserves			
Called up share capital	10	-	-
Other reserves	11	97,746	-
Share premium account	11	1,063	1,063
Profit and loss account	11	(10,737)	57,481
Total shareholders' funds	12	88,072	58,544

The financial statements on pages 7 to 19 were approved by the Board of Directors on 29 June 2011 and were signed on its behalf by



T Wolber
 Director

The notes on pages 9 to 19 form part of these accounts

Magical Cruise Company, Limited

Notes To The Financial Statements For The Period 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 the Companies Act 2006 and applicable accounting standards in the United Kingdom on a basis consistent with the prior period. 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 2 October 2010 has been adopted for the current year.

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

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. Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account. Currency translation adjustments are taken to reserves. The USD / GBP exchange rate at period end was \$1.55 (2009: \$1.59).

c) Turnover

Revenue related to the provision of cruise berths is recognised using the accruals method. All other cruise 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. 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. The useful economic life of the assets is estimated to be as follows:

Stage show and other on-board entertainment and 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

Magical Cruise Company, Limited

Notes To The Financial Statements For The Period Ended 2 October 2010

1 Accounting policies (continued)

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.

f) Stocks

Stocks are stated at the lower of cost or market value.

g) Pension costs

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

In respect of the defined benefit plan, liabilities are measured using the projected unit method for reporting in these accounts under FRS 17. Annual valuations are prepared by independent professionally qualified actuaries. Actuarial gains and losses are recognised by the parent undertaking.

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. The company's trading profits are now subject to the Tonnage Tax regime for the full period and that only non-trading income remains subject to corporation tax.

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.

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010

1 Accounting policies (continued)

k) Taxation (continued)

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.

l) 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).

m) Financial instruments

The Company hedges pricing risk in relation to forecasted future fuel purchases by entering into cash flow hedge relationships.

Derivatives are initially accounted for and measured at fair value on the date a derivative contract is entered into and subsequently measured at fair value. The gain or loss on remeasurement is taken to the profit or loss account except where the derivative is a designated cash flow hedging instrument. Gains or losses on cash flow hedges that are regarded as highly effective are recognised in equity.

Gains or losses deferred in equity are transferred to the profit and loss account in the same period as the underlying fuel purchase. The ineffective portions of the gain or loss on the hedging instrument are recognised in profit or loss. For the portion of hedges deemed ineffective or transactions that do not qualify for hedge accounting under FRS 26, any change in assets or liabilities is recognised immediately in the profit and loss account.

2 Turnover – continuing operations

	2010 \$'000	2009 \$'000
Cruise revenue	411,403	459,702
Total	411,403	459,702

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.

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010

3 Operating loss – continuing operations

	2010 \$'000	2009 \$'000
Operating loss is stated after charging		
Wages and salaries	73,638	72,472
Social security costs	1,293	1,175
Other pension costs	2,070	1,026
Staff costs	77,001	74,673
Depreciation of tangible fixed assets	24,270	20,550
Loss on disposal of assets – tangible fixed assets	710	-
Operating lease charges – cruise vessel	65,160	65,324
Auditors' remuneration		
Fees payable to Company's auditors and its associates		
Audit services	159	253

The average number of persons (including executive directors) employed by the Company during the period was 2,737 consisting of 2,067 shipboard personnel and 670 administrative personnel (2009 1,982 shipboard personnel and 644 administrative personnel)

4 Tax on loss on ordinary activities

(a) The credit for taxation is based upon the taxable loss for the period and comprises

	2010 \$'000	2009 \$'000
Tax on loss on ordinary activities		
Analysis of charge in period		
Current tax		
UK corporation tax on losses for the period	1,082	1,000
Tonnage tax	47	47
Adjustments relating to prior periods	(1,839)	(2,318)
Total current tax	(710)	(1,271)
Tax credit on loss on ordinary activities	(710)	(1,271)

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010

4 Tax on profit on ordinary activities (continued)

(b) Factors affecting tax credit for the period

The tax assessed for the period is higher (2009 higher) than the standard rate of corporation tax in the UK (2010 28%, 2009 28%) The differences are explained below

	2010 \$'000	2009 \$'000
Loss on ordinary activities before taxation	(68,928)	(13,014)
Loss on ordinary activities multiplied by the standard rate in the UK (2009 28%)	(19,300)	(3,644)
Effects of		
Adjustments relating to prior periods	(1,839)	(2,318)
Income taxed outside of tonnage tax ring fence	1,082	1,000
Losses not deductible under UK corporation tax	19,300	3,644
Tonnage tax profit	47	47
Current tax credit for the period	(710)	(1,271)

Factors affecting the future tax charges

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010, which was substantially enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28% to 26% from 1 April 2011 Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 These further changes had not been substantively enacted at the balance sheet date and, therefore, have not been reflected in these financial statements The changes are not expected to materially impact the financial statements

The company has no deferred tax, either recognised or unrecognised, that would be effected by the change in tax rates

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010
(continued)

5 Tangible 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 3 October 2009	13,505	39,335	104,549	157,389
Additions	43,051	-	-	43,051
Transfers	(49,706)	2,905	46,801	-
Disposals	-	-	(2,389)	(2,389)
At 2 October 2010	6,850	42,240	148,961	198,051
Accumulated depreciation				
At 3 October 2009	-	35,068	50,520	85,588
Charge for the period	-	2,115	22,155	24,270
Disposals	-	-	(1,678)	(1,678)
At 2 October 2010	-	37,183	70,997	108,180
Net book amount				
At 2 October 2010	6,850	5,057	77,964	89,871
At 3 October 2009	13,505	4,267	54,029	71,801

6 Stocks

	2010 \$'000	2009 \$'000
Food and beverage	2,409	1,364
Merchandise goods for resale	1,732	1,045
Consumables	2,342	1,204
Total	6,483	3,613

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010
(continued)

7 Debtors

	2010 \$'000	2009 \$'000
Trade debtors	319	804
Amounts owed by group undertakings	141,218	145,920
Derivative financial instrument asset	202	-
Prepayments	6,438	3,740
Total	148,177	150,464

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

The derivative financial instrument asset at 2 October 2010 arose on unmatured fuel hedges that hedge the pricing risk of anticipated future purchases is \$202,000 (2009 Nil) These have been designated in a cash flow relationship and there was no ineffectiveness to be recorded in the profit and loss for the period These amounts have been recognised in equity and will be transferred to the profit and loss account when the forecasted fuel purchases occur

8 Creditors – amounts falling due within one year

	2010 \$'000	2009 \$'000
Trade creditors	21,899	12,957
Amounts owed to group undertakings	86,485	55,425
Taxation and social security	6,847	7,845
Deposits received on future cruises	139,720	87,294
Other accrued expenses	4,821	3,923
Total	259,772	167,444

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

9 Creditors – amounts falling due after more than one year

	2010 \$'000	2009 \$'000
Deposits received on future cruises	5,893	9,844
Other accrued expenses	812	622
Total	6,705	10,466

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010
(continued)

10 Called up share capital

	2010	2009
	\$	\$
Authorised 100 Ordinary shares of £1 each converted at an exchange rate of \$1.59 (2009 \$1.59)	159	159
Allotted 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

11 Reserves

	Share Premium Account \$'000	Profit and Loss Account \$'000	Other Reserves \$'000	Total Reserves \$'000
At 3 October 2009	1,063	57,481	-	58,544
Net movement on pricing cash flow hedge	-	-	202	202
Capital Contribution	-	-	97,544	97,544
Loss for the financial period	-	(68,218)	-	(68,218)
At 2 October 2010	1,063	(10,737)	97,746	88,072

Other reserves comprises a capital contribution of \$97,544,000 which was received from the Company's immediate parent, Wedco Holdings (Netherlands) BV during the period. No shares were issued in exchange.

12 Reconciliation of movements in shareholders' funds

	2010	2009
	\$'000	\$'000
Loss for the financial period	(68,218)	(11,743)
Net movement on pricing cash flow hedge	202	-
Capital Contribution	97,544	-
Shareholders' funds as at beginning of period	58,544	70,287
Shareholder's funds as at end of period	88,072	58,544

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010
(continued)

13 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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Within one year	263	220	69,646	69,946
Between two and five years	571	834	139,892	209,838

The Company has contractual obligations for maintenance and other services of \$1,809,000 at 2 October 2010 (2009 \$409,000)

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

14 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 period amounted to \$2,070,000 (2009 \$1,026,000)

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. 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 period.

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 2010 using the Project Unit Credit method. The principal assumptions adopted in the valuation were that, over the long term, the investment return would be 7.75% (2009 7.5%) per annum, the rate of salary increase would be 4.5% (2009 5%), and the discount rate 5.75% (2009 7.8%)

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010
(continued)

14 Pension commitments (continued)

At the date of the latest actuarial valuation at 30 September 2010, the market value of the assets of the scheme was \$3 406million (2009 \$2 947million), and the actuarial value of the assets was sufficient to cover 72.5% (2009 73.1%) 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 the period to 2 October 2010 were \$25,000 (2009 Nil)

15 Directors' emoluments

	2010 \$'000	2009 \$'000
Aggregate emoluments	4,872	3,956
Company contributions paid to pension schemes	205	142

Highest paid director

	2010 \$'000	2009 \$'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	2,161	1,587
Defined contribution pension scheme	5	-
Defined benefit amount accrued	11	7

Retirement benefits are accruing to 5 Directors (2009 6) under a defined benefit scheme and 5 Directors (2009 Nil) under a defined contributions in respect of their qualifying services. No directors exercised share options in the ultimate parent Company in the period (2009 Nil) and 6 Directors received shares under long term incentive schemes (2009 7)

16 Post balance sheet event

Magical Cruise Company purchased the Disney Dream from DCXLOne on 9 December 2010. The purchase price of \$760 million was paid with 10% down payment, additional funds and a promissory note for \$684 million with a term of 7 years and a rate of 6.85%

The operating leases between Magical Cruise Company and Disney Magic Corporation for the Disney Magic and Disney Wonder Corporation for the Disney Wonder were extended as of 4 March 2011. The lease periods run from fiscal year 2011 through fiscal year 2023 for the Disney Magic and 2024 for the Disney Wonder. Semi-annual lease payments are \$12.5 million per vessel with total operating lease payments of \$50 million versus current payments of \$65 million

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 2 October 2010
(continued)

17 Ultimate parent undertaking and financial support

Ultimate Parent

The ultimate parent undertaking and controlling party, The Walt Disney Company, incorporated in the United States of America. 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.

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

The Company's ultimate parent undertaking and controlling party is The Walt Disney Company and utilises the exemption contained in paragraph 3(c) of 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.