Magical Cruise Company, Limited

(Registered Number 3157553)

Directors' Report and Financial Statements For The Period Ended 1 October 2011

Magical Cruise Company, Limited

Annual Report and Financial Statements for The Period Ended 1 October 2011

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Magical Cruise Company, Limited

Directors' Report For The Period Ended 1 October 2011

The directors present their annual report and the audited financial statements of the Magical Cruise Company, Limited (the "Company") for the period ended 1 October 2011 (prior year the 52 weeks ended 2 October 2010)

Review of activities and future developments

The Company's principal activity is the operation of 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, which began operations January 2011 as well as the Disney Fantasy, which began operations in March 2012

The Company received a capital contribution of $220,000,000 from the Company's immediate parent, Wedco Holdings (Netherlands) BV during the period 2 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 $51,990,000 (2010 $68,218,000 loss) The directors do not recommend the payment of a dividend (2010 $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 1 October 2011 (continued)

Directors

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

J Heaney (resigned 30 August 2011)
J James
B Swets
T Wolber
K Holz
I Lahoud
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

Going concern

The intermediate parent company, Disney Enterprises Inc provides sufficient support to enable the Company to continue its operations throughout the year This support shall continue to be provided, which has been confirmed in writing to the Directors, and therefore the Directors consider the financial statements should be prepared on a going concern basis to give a true and fair view

Charitable donations

During the period the Company made charitable contributions totalling $943,688 (2010 $175,000), to charities The main beneficiaries of the Company's charitable contributions were the Make a Wish Foundation and Boys & Girls Club of Central Florida Inc 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

Directors' Report For The Period Ended 1 October 2011 (continued)

Directors' Responsibilities Statement

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 2012

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 1 October 2011 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 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 1 October 2011 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

Independent Auditors' Report To The Members Of Magical Cruise Company, Limited (continued)

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

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

Robin Holgate (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 June 2012

Magical Cruise Company, Limited

Profit And Loss Account for the Period Ended 1 October 2011

	Note	2011 $'000	2010 $'000
Turnover	2	**646,366**	411,403
Cost of sales		**(548,591)**	(374,935)
Gross profit		**97,775**	36,468
Distribution costs		**(48,468)**	(36,497)
Administrative expenses		**(99,895)**	(68,899)
Operating loss	3	**(50,588)**	(68,928)
Loss on ordinary activities before taxation		**(50,588)**	(68,928)
Tax credit on loss on ordinary activities	4	**(1,402)**	710
Loss for the financial period	11	**(51,990)**	(68,218)

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 financial statements

Magical Cruise Company, Limited

Balance Sheet as at 1 October 2011

(Company registration number: 3157553)

	Note	2011 $'000	2010 $'000
Fixed assets			
Tangible assets	5	**838,757**	89,871
Current assets			
Stocks	6	**9,201**	6,483
Debtors	7	**35,644**	148,177
Cash at bank and in hand		**39,608**	110,018
		84,453	264,678
Creditors – amounts falling due within one year	8	**(488,817)**	(259,772)
Net current assets /(liabilities)		**(404,364)**	4,906
Total assets less current liabilities		**434,393**	94,777
Creditors – amounts due after more than one year	9	**(179,120)**	(6,705)
Net assets		**255,273**	88,072
Capital and reserves			
Called up share capital	10	**-**	-
Other reserves	11	**96,937**	97,746
Share premium account	11	**221,063**	1,063
Profit and loss account	11	**(62,727)**	(10,737)
Total shareholders' funds	12	**255,273**	88,072

The financial statements on pages 7 to 19 were approved by the Board of Directors on 29 June 2012 and were signed on its behalf by

T Wolber
Director

The notes on pages 9 to 19 form part of these financial statements

Magical Cruise Company, Limited
Notes To The Financial Statements For The Period Ended 1 October 2011

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) Going concern

The intermediate parent company, Disney Enterprises Inc provides sufficient support to enable the Company to continue its operations throughout the year This support shall continue to be provided, which has been confirmed in writing to the Directors, and therefore the Directors consider the financial statements should be prepared on a going concern basis to give a true and fair view

b) 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 1 October 2011 has been adopted for the current period

The financial period represents the 52 weeks ended Saturday 1 October 2011 (2010 52 weeks ended 2 October 2010)

c) 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 56 (2010 $1 55)

d) 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

e) 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 1 October 2011 (continued)

1 Accounting policies (continued)

f) 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

g) Stocks

Stocks are stated at the lower of cost or market value

h) 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 financial statements under FRS 17 Annual valuations are prepared by independent professionally qualified actuaries Actuarial gains and losses are recognised by the parent undertaking

i) Cruise deposits

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

j) Operating leases

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

k) 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

1 Accounting policies (continued)

k) Taxation (continued)

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

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

	2011	2010
	$'000	$'000
Cruise revenue	**615,870**	411,403
Other revenue	**30,496**	-
Total	**646,366**	411,403

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

3 Operating loss

	2011 $'000	2010 $'000
Operating loss is stated after charging		
Wages and salaries	**109,964**	73,638
Social security costs	**1,427**	1,293
Other pension costs	**1,910**	2,070
Staff costs	**113,301**	77,001
Depreciation of tangible fixed assets	**37,723**	24,270
Loss on disposal of assets – tangible fixed assets	**441**	710
Operating lease charges – cruise vessel	**55,539**	65,160
Auditors' remuneration		
Fees payable to Company's auditors and its associates		
Audit services	**297**	159

The average number of persons (including executive directors) employed by the Company during the period was 3,886 consisting of 3,238 shipboard personnel and 648 administrative personnel (2010 2,067 shipboard personnel and 670 administrative personnel)

4 Tax on loss on ordinary activities

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

	2011 $'000	2010 $'000
Tax on loss on ordinary activities		
Analysis of charge in period		
Current tax		
UK corporation tax on losses for the period	**1,201**	1,082
Tonnage tax	**70**	47
Adjustments relating to prior periods	**131**	(1,839)
Total current tax	**1,402**	(710)
Tax expense / (credit) on loss on ordinary activities	**1,402**	(710)

4 Tax on profit on ordinary activities (continued)

(b) Factors affecting tax credit for the period

The tax assessed for the period is higher (2010 higher) than the standard rate of corporation tax in the UK (2011 27%, 2010 28%) The differences are explained below

	2011 $'000	2010 $'000
Loss on ordinary activities before taxation	**(50,588)**	(68,928)
Loss on ordinary activities multiplied by the standard rate in the UK (2011 27%) (2010 28%)	**(13,659)**	(19,300)
Effects of		
Adjustments relating to prior periods	**131**	(1,839)
Income taxed	**1,201**	1,082
Losses not deductible under UK corporation tax	**13,659**	19,300
Tonnage tax profit	**70**	47
Current tax expense / (credit) for the period	**1,402**	(710)

Factors affecting the future tax charges

A number of changes to the UK Corporation tax system were announced in the June 2011 Budget Statement The Finance (No2) Act 2011, which was substantively enacted on 20 July 2011, includes legislation reducing the main rate of corporation tax from 28% to 26% from April 2011 A reduction to the UK corporation tax rate to 24% has been substantively enacted on 26 March 2012 Further reductions to the UK Corporation Tax rate by 1% per annum to 22% by 1 April 2014 have been announced and are expected to be enacted separately each year These further changes have not been recognised in these financial statements as they had not been substantively enacted at the balance sheet date

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

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 2 October 2010	6,850	42,240	148,961	198,051
Additions	35,754	13,002	776,367	825,123
Transfers	(38,635)	560	-	(38,075)
Disposals	-	(60)	(2,204)	(2,264)
At 1 October 2011	**3,969**	**55,742**	**923,124**	**982,835**
Accumulated depreciation				
At 2 October 2010	-	37,183	70,997	108,180
Charge for the period	-	4,277	33,446	37,723
Disposals	-	(60)	(1,763)	(1,823)
At 1 October 2011	**-**	**41,400**	**102,680**	**144,080**
Net book amount				
At 1 October 2011	**3,969**	**14,342**	**820,444**	**838,755**
At 2 October 2010	6,850	5,057	77,964	89,871

6 Stocks

	2011 $'000	2010 $'000
Food and beverage	**2,994**	2,409
Merchandise goods for resale	**2,427**	1,732
Consumables	**3,780**	2,342
Total	**9,201**	6,483

7 Debtors

	2011 $'000	2010 $'000
Trade debtors	1,517	319
Amounts owed by group undertakings	28,378	141,218
Derivative financial instrument asset	(809)	202
Prepayments	6,558	6,438
Total	35,644	148,177

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 2011 arose on unmatured fuel hedges that hedge the pricing risk of anticipated future purchases is ($809,000) (2010 $202,000) 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

	2011 $'000	2010 $'000
Trade creditors	32,520	21,899
Amounts owed to group undertakings	240,424	87,085
Taxation and social security	10,019	6,847
Tax creditors / (debtors)	(334)	(600)
Deposits received on future cruises	197,483	139,720
Other accrued expenses	8,705	4,821
Total	488,817	259,772

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

	2011 $'000	2010 $'000
Amounts owed to group undertakings	168,070	-
Deposits received on future cruises	8,904	5,893
Other accrued expenses	2,146	812
Total	179,120	6,705

10 Called up share capital

	2011 $	2010 $
Authorised 100 (2010 100) Ordinary shares of £1 each converted at an exchange rate of $1 56 (2010 $1 59)	156	159
Allotted and not paid 4 (2010 2) ordinary shares of £1 each (2 converted at $1 56, 1 converted at an exchange rate of $1 70 and 1 converted at $1 54)	5	3

11 Reserves

	Share Premium Account $'000	Profit and Loss Account $'000	Other Reserves $'000	Total Reserves $'000
At 2 October 2010	1,063	(10,737)	97,746	88,072
Net movement on pricing cash flow hedge	-	-	(809)	(809)
Capital Contribution	220,000	-	-	220,000
Loss for the financial period	-	(51,990)	-	(51,990)
At 1 October 2011	**221,063**	**(62,727)**	**96,937**	**255,273**

Other reserves comprises a capital contribution of $220,000,000 which was received from the Company's immediate parent, Wedco Holdings (Netherlands) BV during the period 2 ordinary shares of £1 each were issued in the capital of the Company at the time of exchange

12 Reconciliation of movements in shareholders' funds

	2011 $'000	2010 $'000
Loss for the financial period	**(51,990)**	(68,218)
Net movement on pricing cash flow hedge	**(809)**	202
Capital Contribution	**220,000**	97,544
Shareholders' funds as at beginning of period	**88,072**	58,544
Shareholder's funds as at end of period	**255,273**	88,072

13 Operating lease commitments and other contractual obligations

The Company has renewed the existing operating leases to operate two luxury cruise vessels for a fifteen-year extended period Under the lease agreements, the Company makes semi-annual payments on each cruise vessel of $12,500,000 In FY10, the company made semi-annual payments on each cruise vessel of $18,050,000 and $16,923,000 beginning one year after each respective cruise vessel became 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	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Within one year	**263**	263	**50,000**	69,646
Between two and five years	**308**	571	**200,000**	139,892
After 5 years	**-**	-	**375,000**	-

The Company has contractual obligations for maintenance and other services of $1,762,299 at 1 October 2011 (2010 $1,809,000)

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

14 Pension commitments

The shore side 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 $2,364,978 (2010 $2,070,000)

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 2011 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% (2010 7 75%)

14 Pension commitments (continued)

per annum, the rate of salary increase would be 4 0% (2010 4 5%), and the discount rate 4 75% (2010 5 75%)

At the date of the latest actuarial valuation at 30 September 2011, the market value of the assets of the scheme was $3 949 million (2010 $3 406 million), and the actuarial value of the assets was sufficient to cover 75 3% (2010 72 5%) 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 2011 and 2010 were not material

15 Directors' emoluments

	2011	2010
	$'000	$'000
Aggregate emoluments	**5,300**	4,872
Company contributions paid to pension schemes	**236**	205

Highest paid director

	2011	2010
	$'000	$'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	**2,407**	2,161
Defined contribution pension scheme	**5**	5
Defined benefit amount accrued	**13**	11

Retirement benefits are accruing to 5 Directors (2010 5) under a defined benefit scheme and 5 Directors (2010 5) under a defined contribution plan in respect of their qualifying services No directors exercised share options in the ultimate parent Company in the period (2010 Nil) and 5 Directors received shares under long term incentive schemes (2010 6)

16 Post balance sheet event

Certain circumstances or events subsequent to the period end requiring adjustment of or disclosure in the financial statements or in the notes thereto have been properly disclosed and reflected in the financial statements Those events include Magical Cruise Company's purchase of the Disney Fantasy from DCXL Two on February 9, 2012 The purchase price of $810 million was paid with 10% down payment, $81 million, and a promissory note for $729 million with a term of four years and a rate of 4 16%

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 financial statements 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 financial statements 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