

Company Registration No. 04955607 (England and Wales)

MARVEL ENTERTAINMENT INTERNATIONAL LTD
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014



MARVEL ENTERTAINMENT INTERNATIONAL LTD

COMPANY INFORMATION

Director	B Dean	(Resigned 31 January 2014)
	J Turitzin	(Resigned 31 January 2014)
	S Philips	
Secretary	B Dean	
	Abogado Nominees Ltd	
Company number	04955607	
Registered office	3 Queen Caroline Street	
	Hammersmith	
	London	
	W6 9PE	
Auditors	Rouse Audit LLP	
	55 Station Road	
	Beaconsfield	
	Buckinghamshire	
	HP9 1QL	
Business address	3 Queen Caroline Street	
	London	
	W6 9PE	

MARVEL ENTERTAINMENT INTERNATIONAL LTD

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MARVEL ENTERTAINMENT INTERNATIONAL LTD

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 31 MARCH 2014

The director presents his report and financial statements for the period ended 31 March 2014.

Principal activities and review of the business

The principal activity of the company was that of arranging and managing the licensing of intellectual property in markets outside the US on behalf of associated companies.

The company ceased trading on 31 March 2014.

Results and dividends

The results for the period are set out on page 5.

Directors

The following directors have held office since 30 September 2012:

B Dean	(Resigned 31 January 2014)
J Turitzin	(Resigned 31 January 2014)
S Philips	

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

MARVEL ENTERTAINMENT INTERNATIONAL LTD

DIRECTOR'S REPORT (CONTINUED)

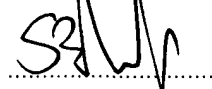
FOR THE PERIOD ENDED 31 MARCH 2014

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board



S Philips

Director

19/12/2014

MARVEL ENTERTAINMENT INTERNATIONAL LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MARVEL ENTERTAINMENT INTERNATIONAL LTD

We have audited the financial statements of Marvel Entertainment International Ltd for the period ended 31 March 2014 set out on pages 5 to 17. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is 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.

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's 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 31 March 2014 and of its profit 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 Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

MARVEL ENTERTAINMENT INTERNATIONAL LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MARVEL ENTERTAINMENT INTERNATIONAL LTD

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.

Rouse Audit LLP

Leighton Bower (Senior Statutory Auditor)
for and on behalf of Rouse Audit LLP

22nd December 2014

Chartered Accountants
Statutory Auditor

55 Station Road
Beaconsfield
Buckinghamshire
HP9 1QL

MARVEL ENTERTAINMENT INTERNATIONAL LTD

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2014

		Period ended 31 March 2014 £	Year ended 29 September 2012 £
	Notes		
Turnover	2	468,471	2,009,239
Administrative expenses		(288,077)	(1,912,117)
Operating profit	3	180,394	97,122
Other interest receivable and similar income	4	3,039	967
Profit on ordinary activities before taxation		183,433	98,089
Tax on profit on ordinary activities	5	(87,144)	14,640
Profit for the period	12	96,289	112,729

The profit and loss account has been prepared on the basis that all operations are from discontinued operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

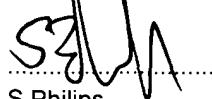
MARVEL ENTERTAINMENT INTERNATIONAL LTD

BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014 £	£	2012 £	£
Fixed assets					
Tangible assets	7		-		3,734
Current assets					
Debtors	8	1,000		926,735	
Cash at bank and in hand		-		390,802	
		1,000		1,317,537	
Creditors: amounts falling due within one year	9	-		(519,011)	
Net current assets			1,000		798,526
Total assets less current liabilities			1,000		802,260
			1,000		802,260
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account	12		-		801,260
Shareholders' funds	13		1,000		802,260

Approved by the Board and authorised for issue on 19/12/2014


S Philips
Director

Company Registration No. 04955607

MARVEL ENTERTAINMENT INTERNATIONAL LTD

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2014

	Period ended 31 March 2014 £	Year ended 29 September 2012 £
Net cash inflow from operating activities	408,916	30,684
Returns on investments and servicing of finance		
Interest received	3,039	967
Net cash inflow for returns on investments and servicing of finance	3,039	967
Taxation	94,792	-
Equity dividends paid	(897,549)	-
Net cash (outflow)/ inflow before management of liquid resources and financing	(390,802)	31,651
(Decrease)/ increase in cash in the period	(390,802)	31,651

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014		2012	
		£		£	
	Operating profit	180,394		97,122	
	Depreciation of tangible assets	3,734		4,507	
	FRS 20 charge - non cash charge	-		85,076	
	Decrease/(increase) in debtors	743,799		(390,763)	
	(Decrease)/Increase in creditors within one year	(519,011)		234,742	
	Net cash inflow from operating activities	408,916		30,684	
2	Analysis of net (debt)/funds	30 September 2012	Cash flow	Other non-cash changes	31 March 2014
		£	£	£	£
	Net cash:				
	Cash at bank	390,802	(390,802)	-	-
	Net funds/(debt)	390,802	(390,802)	-	-
3	Reconciliation of net cash flow to movement in net (debt)/funds	2014		2012	
		£		£	
	(Decrease)/increase in cash in the period	(390,802)		31,651	
	Movement in net (debt)/funds in the period	(390,802)		31,651	
	Opening net funds	390,802		359,151	
	Closing net (debt)/funds	-		390,802	

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The director has undertaken a restructuring of the UK operations and transferred the trade of the company to other group entities. The director will seek a solvent winding up of the company; until this is completed the company will remain dormant. All liabilities have been settled by the balance sheet date.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts invoiced to fellow associated companies under a service agreement.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	25% straight line
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1.5 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

1.7 Share-based payments

The fair value of grants made under the equity settled employee share option plans is calculated at the date of grant using an appropriate binominal model. In accordance with FRS 20 'Share Based Payments', the fair value of share options is charged to the profit and loss account over the vesting period of the options with a corresponding credit to the profit and loss account reserve. The value of the charge is adjusted to reflect expected and actual levels of option vesting.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

3	Operating profit	2014	2012
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	3,734	4,507
	Fees payable to the company's auditor for the audit of the company's annual accounts	-	7,000
	Remuneration of auditors for accountancy, taxation and bookkeeping services	-	3,049
	and after crediting:		
	Profit on foreign exchange transactions	(947)	-

During the period; audit fees of £4,600 and non audit fees of £400 were paid to the auditors and paid by the parent company.

4	Investment income	2014	2012
		£	£
	Bank interest	1,223	967
	Other interest	1,816	-
		<u>3,039</u>	<u>967</u>

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

5	Taxation	2014 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	37,528	-
	Adjustment for prior years	4,783	-
	Total current tax	42,311	-
	Deferred tax		
	Timing difference on share based payments	44,833	(14,640)
		87,144	(14,640)
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	183,433	98,089
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.50% (2012 - 25.00%)	43,107	24,522
	Effects of:		
	Non deductible expenses	-	466
	Depreciation add back	877	1,127
	Capital allowances	(6,457)	(1,611)
	FRS 20 charge	-	21,269
	Group relief	-	(27,171)
	Other tax adjustments	4,784	-
	Deduction for share based payments	-	(18,602)
		(796)	(24,522)
	Current tax charge for the period	42,311	-
6	Dividends	2014 £	2012 £
	Ordinary interim paid	897,549	-

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

7 Tangible fixed assets

	Office equipment £
Cost	
At 30 September 2012	23,109
Disposals	(23,109)
At 31 March 2014	-
Depreciation	
At 30 September 2012	19,375
On disposals	(23,109)
Charge for the period	3,734
At 31 March 2014	-
Net book value	
At 31 March 2014	-
At 29 September 2012	3,734

8 Debtors

	2014 £	2012 £
Amounts owed by parent and fellow subsidiary undertakings	1,000	738,498
Corporation tax	-	137,103
Other debtors	-	1,214
Prepayments and accrued income	-	5,087
Deferred tax asset (see note 10)	-	44,833
	1,000	926,735

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

9	Creditors: amounts falling due within one year	2014 £	2012 £
	Amounts owed to parent and fellow subsidiary undertakings	-	29,043
	Taxes and social security costs	-	24,546
	Accruals	-	465,422
		<u>-</u>	<u>519,011</u>

10 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 30 September 2012	44,833
Profit and loss account	(44,833)
	<u>-</u>
Balance at 31 March 2014	<u>-</u>

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2014 £	2012 £
Timing difference on share based payments	-	39,372
Decelerated capital allowances	-	5,461
	<u>-</u>	<u>44,833</u>
Provision for deferred taxation	<u>-</u>	<u>44,833</u>

11 Share capital

	2014 £	2012 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 30 September 2012	801,260
Profit for the period	96,289
Equity dividends paid	(897,549)
Balance at 31 March 2014	-

13 Reconciliation of movements in shareholders' funds

	2014 £	2012 £
Profit for the financial period	96,289	112,729
Equity dividends	(897,549)	-
Contribution to capital from parent undertaking	-	85,076
Net (depletion in)/addition to shareholders' funds	(801,260)	197,805
Opening shareholders' funds	802,260	604,455
Closing shareholders' funds	1,000	802,260

14 Directors' remuneration

	2014 £	2012 £
Remuneration for qualifying services	105,757	1,024,415

The number of directors who exercised share options during the period was 0 (2012 - 1).

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

15 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2014 Number	2012 Number
Management, sales and administration	2	3
Director	3	3
	<u>5</u>	<u>6</u>

Employment costs

	2014 £	2012 £
Wages and salaries	207,491	1,418,520
Social security costs	25,686	197,919
Cost of employee share schemes	-	85,076
	<u>233,177</u>	<u>1,701,515</u>

B Dean and J Turitzin, who were directors of the company, were also employees of one of the group companies. Their remuneration was paid through this group company's accounts.

Share-based payments

There were no share based payments this period as all the employees and any associated share options were transferred to the other group entities.

Under the Disney Discretionary Stock Option Scheme, certain employees of the company may be granted options to acquire shares of stock in the ultimate parent company, The Walt Disney Company, at exercise prices equal to or exceeding the market price at the date of grant. Options vest equally over a four-year period from the date of grant and expire seven to ten years after the date of grant. The share options are settled using the equity instruments of the company's ultimate parent company The Walt Disney Company. Movements in the number of Disney share options outstanding, granted to company employees, and their related weighted average exercise prices are as follows:

	2014		2012	
	Weighted average exercise price per share \$	Options	Weighted average exercise price per share \$	Options
At start of the period	37.35	14,306	35.89	10,733
Granted	-	-	38.75	6,651
Forfeited	-	-	-	-
Exercised	-	-	35.28	(3,078)
Transferred	37.35	(14,306)	-	-
	<u>-</u>	<u>-</u>	<u>37.35</u>	<u>14,306</u>

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

15 Employees

(continued)

Details of the restricted shares activity were as follows:

	2014 Number of restricted shares	2012 Number of restricted shares
At start of the period	8,176	7,894
Granted	-	2,726
Forfeited	-	-
Exercised	-	(2,444)
Transferred	(8,176)	-
At end of the period	-	8,176

The restricted stock issued vests in four equal parts at each anniversary from the grant date. There are no performance conditions attached to the issue. The weighted average fair value of restricted stock granted during the period ended 31 March 2014 was \$Nil per share (2012: \$38.75 per share).

Valuation assumptions:

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

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

	2014	2012
Risk-free interest rate	Not applicable	1.99%
Expected years from grant until exercise	Not applicable	6.35
Expected volatility	Not applicable	31%
Dividend yield	Not applicable	1.57%

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

The exercise price per share used in the binominal valuation option-pricing model was \$Nil (2012: \$38.75)

The total stock based compensation charge recognised for the period ended 31 March 2014 was £Nil (2012: £85,076), comprised of share option charge of £Nil (2012: £26,098) and restricted charge of £Nil (2012: £58,978).

MARVEL ENTERTAINMENT INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

16 Control

The ultimate controlling party is The Walt Disney Company, a company listed on the New York Stock Exchange. Copies of its annual reports can be obtained from 500 South Buena Vista Street, Burbank, California 91521, United States of America or via the website at www.disney.com.

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.