The Moving Picture Company Limited

Registered No. 1191228

Directors' Report and Financial Statements

31 December 2011

Contents

Company Information

Registered Number

1191228

Directors

A W Camilleri
R Sweet (resigned 17 June 2011)
M Benson
A Ouri (resigned 13 October 2011)
C Parke (appointed 17 June 2011)

Secretary

R Sweet (resigned17 June 2011)
C Parke (appointed 17 June 2011)

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Registered Office

Building 1, 3rd Floor Chiswick Park
566 Chiswick High Road
London
W4 5BY

Directors' report

The directors present their report and the financial statements of The Moving Picture Company Limited (the Company) for the year ended 31 December 2011

Business review and principal activities

The main services provided by the Company are the provision of digital visual effects for the television and film industries Services also include colour grading, film and tape duplication and the provision of broadcast videotape facilities

The Moving Picture Company Limited is one of the largest visual effects studios in the world

Implicit in this is the production of creative output to the highest calibre, of a class that not just follows world standards, but which drives expectations and sets new global benchmarks

The results for the Company show a pre-tax profit of £17,384,000 (2010 £16,197,000) and revenues of £75,402,000 (2010 £64,384,000) Revenues have increased 17 1% on prior year The Company recognises such growth is contingent upon maintaining good rapport with clients To this end the Company is committed to developing and building strong, long-term client relationships and producing creative output of the highest calibre

Gross profit increased by 23 2%, while the gross profit margin increased to 41 5% (2010 39 4%)

Operating profit margin decreased from 24 2% to 21 0%

The current ratio of assets to liabilities decreased from 189% to 185% in the year

We regularly review revenue, cost of sales, administrative expenses and operating profits as these are good indicators of relative business performance Cost of sales primarily comprise of salaries, the cost of freelance contractors, third party costs and depreciation of plant and machinery Administrative expenses mainly comprise of administrative salaries, occupancy costs and other overheads

Risks and uncertainties

Operating within a technology-driven industry, the Company must keep up to date with any such advances and keep abreast of developments within the media industry so as to meet changing client needs

Our employees are our most important asset, staff retention and recruitment is crucial to our continued success The Company remains focused on providing a stimulating and safe environment for all its employees and offering both competitive remuneration and a rewarding career path in order to safeguard this asset

As the visual effects industry is a relatively small global industry the Company is affected by international issues including foreign currency fluctuations and tax legislation changes Remaining up to date with such changes is imperative While competition remains high, projects needs to be closely assessed against constrained margins

Critically, creative output must remain of the highest standard

Dividends

No dividends were paid during the year (2010 £nil)

Directors' report

Donations

The donations made by the Company during the year for charitable purposes were £3,783 (2010 – £7,725)

Political donations made by the Company during the year were £nil (2010 £nil)

Directors

The directors of the Company who served during the year and to the date of this report were as follows

A W Camilleri
R Sweet (resigned 17 June 2011)
M Benson
A Ouri (resigned 13 October 2011)
C Parke (appointed 17 June 2011)

Creditor payment policy

It is company policy that payments to all suppliers are made in accordance with the agreed terms, provided that the supplier is also complying with all relevant terms and conditions Trade creditor days of the Company for the year ended 31 December 2011 were 12 days (2010 15 days), based on the ratio of company trade creditors at the year end to the amount invoiced during the year by trade creditors

Employee involvement and disabled person

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 appropriate training is arranged It is the policy of the Company that the training, career development and promotion of a disabled person, as far as possible, be identical to that of the person who does not suffer from a disability

Consultation with employees has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to effect their interests and that all employees are aware of the performance of the Company

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Directors' report

Auditor

The auditor for the year ended 31 December 2011 was KPMG LLP

By order of the Board

A Camilleri

Director **23 August 2012**

Building 1, 3rd Floor Chiswick Park
566 Chiswick High Road
London
W4 5BY

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

KPMG

KPMG LLP
15 Canada Square
London E14 5GL
United Kingdom

Independent auditor's report to the members of The Moving Picture Company Limited

We have audited the financial statements of The Moving Picture Company Limited for the year ended 31 December 2011 set out on pages 8 to 22 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor's 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 directors and auditors

As explained more fully in the Statement of directors' responsibilities in respect of the Directors' report and the financial statements, set out on page 6, 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 to 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

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 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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

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

RM Yasue (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

23 August 2012

Profit and loss account

for the year ended 31 December 2011

	Note	*2011* *£000*	*2010* *£000*
Turnover		75,402	64,384
Cost of sales		(44,120)	(39,003)
Gross profit		31,282	25,381
Administrative expenses		(10,207)	(9,007)
Other operating expenses		(5,228)	(791)
Operating profit	2	15,847	15,583
Interest receivable and similar income	3	1,676	616
Interest payable and similar charges	4	-	(2)
Loss on disposal of fixed asset investment	9	(139)	-
Profit on ordinary activities before taxation		17,384	16,197
Tax on profit on ordinary activities	7	(5,542)	(2,197)
Profit for the financial year	18	11,842	14,000

The notes on pages 10 to 22 form part of these financial statements

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and the historical cost equivalents

The results above are all derived from continuing operations

The Company has no recognised gains or losses other than the profit for this and the previous financial year Accordingly, a statement of total recognised gains and losses has not been prepared

Balance Sheet
at 31 December 2011

	Note		2011 £000		2010 £000
Fixed Assets					
Tangible assets	8		7,001		4,143
Investments	9		-		1
			7,001		4,144
Current assets					
Debtors	10	59,591		36,277	
Cash at bank and in hand		16		1,624	
		59,607		37,901	
Creditors: amounts falling due within one year	11	(32,295)		(20,035)	
Net current assets			27,312		17,866
Total assets less current liabilities			34,313		22,010
Creditors amounts falling due after more than one year	12		(932)		(471)
Provisions for liabilities and charges	13		(100)		(100)
Net assets			**33,281**		**21,439**
Capital and reserves					
Called up share capital	16		-		-
Profit and loss account	17		33,281		21,439
Equity shareholders' funds	18		**33,281**		**21,439**

The notes on pages 10 to 22 form part of these financial statements

These financial statements were approved by the board of directors on 23 August 2012 and were signed on its behalf by

A Camilleri
Director

Registered No 1191228

Notes to the financial statements

at 31 December 2011

1. Accounting policies

The financial statements are prepared on a going concern basis and under the historical cost convention in accordance with applicable accounting standards in the United Kingdom The financial statements have been prepared on a consistent basis with prior accounting periods

Basis of preparation

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts, as it is a wholly owned subsidiary of Technicolor S A a company incorporated in France, and is included in the consolidated financial statements of the Technicolor S A group ("the Group") Therefore, these financial statements present information about the Company as an individual undertaking and not about its group

The Company has net current assets of £27,312,000 as at 31 December 2011 and made a profit for the financial year then ended of £11,842,000

The Company currently meets its day-to-day working capital requirements from intercompany loans and balances with fellow group companies of the group headed by Technicolor S A which are repayable on demand

The directors have prepared cash flow forecasts for the next twelve months which show that the Company will continue to be reliant on Group to support its working capital needs These forecasts include key assumptions specifically over the Company's future trading activity and acknowledge that variations in the trading assumptions would impact the timing and quantum of cash flows

On the basis of these forecasts Technicolor S A has confirmed to the directors its intention to keep providing the necessary support for at least the next twelve months from the date of approval of these financial statements to enable the Company to continue to settle its liabilities as they fall due

The Board of Directors of Technicolor S A has also considered the Group's cash flow projections and believes that the Group's current cash will be sufficient to meet the expected cash requirements of the Group and address potential financial consequences of ongoing litigation, for 12 months from the signing of the Company financial statements

The Company's directors believe it is unlikely that Technicolor S A would not be able to provide the support offered Accordingly, the directors consider that the forecasts and indication of support from Technicolor S A should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment and have prepared the financial statements on a going concern basis As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so

Related Party Transactions

As the Company is a wholly-owned subsidiary of Technicolor S A , the Company has taken advantage of the exemption under Financial Reporting Standard (FRS) No 8 *"Related Party Disclosures"* from the requirement to disclose transactions with related parties which are part of the same group or investees of that group The consolidated financial statements of Technicolor S A within which this Company is included, can be obtained from the address given in note 21

There are no transactions between the Company and any related parties which otherwise would require disclosure under FRS No 8 *"Related Party Disclosures"*

Notes to the financial statements

at 31 December 2011

1 Accounting Policies (continued)

Statement of cash flows

The Company is a wholly owned subsidiary of Technicolor S A and the statement of cash flows of the Company are included in the consolidated statement cash flow of Technicolor S A Consequently the Company is exempt under the terms of FRS No 1 (Revised),"*Cash Flow Statement*", from publishing a statement of cash flows

Turnover

Turnover is measured at fair value being contract price net of discounts and value-added tax and is recognised at the following points

(i) Where facilities are being provided, turnover represents the value of the service which has been delivered

(ii) Where a production contract exists, turnover is recognised when contracts are completed during the year Completion is defined as when all post production work is finished

(iii) Where a long-term contract exists, turnover represents the value of contracts work done based on a cost completion method

The whole of the turnover is attributable to operating as a provider of digital visual effects for the television and film industries mainly arising in the United Kingdom The directors consider that this is the only material business activity and that the other geographic segments where the Company operates are not substantially different, consequently, no detailed segmental analysis has been prepared

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition

Depreciation is calculated on a straight-line basis so as to write off the book value of fixed assets over their economic useful lives The main annual rates adopted are as follows

Leasehold improvements	– 10%-20%
Post-production equipment	– 20%-33%
Fixtures and fittings	– 20%-33%

Depreciation policies are reviewed on a regular basis

An impairment review of asset carrying values is performed each year

Work in progress

Work in progress on productions for third parties is valued at the lower of cost and net realisable value No value is attributed to work in progress unless there is a contract committing a customer to purchase the production Cost comprises direct costs of production Net realisable value is the estimated selling price less all further costs to completion Payments in advance are set off against work in progress in the balance sheet, and any amount in excess of the value of work in progress is included in current liabilities

Notes to the financial statements

at 31 December 2011

1. Accounting Policies (continued)

Stocks

Inventory held by the Company is of a consumable nature They are commercial recording tapes used for duplication and film transfer and valued at the lower of costs and net realisable value

Long term contracts

Turnover on long-term contracts is recognised according to the stage reached in the contract with reference to the proportion of total costs incurred A provision is made for any losses as soon as they are foreseen The amount by which turnover exceeds invoiced work is shown under debtors as accrued income The amount by which invoiced work exceeds turnover is shown under creditors as deferred income The costs on long-term contracts are taken to the profit and loss account as they are incurred

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation

Dilapidation provision

The Company has operating leases over its offices that require the assets to be returned to the lessor in its original condition The operating lease payments do not include an element for the repairs/overhauls A dilapidation provision is recognised at the time it is determined that it is probable that such costs will be incurred in a future period, measured at the expected cost of returning the asset to the lessor in original condition The Company is expected to incur the liability within the next 4 years An offsetting asset of the same value is also recognised and is classified in tangible fixed assets This asset is depreciated to the profit and loss account over the term of the lease

Pensions

Contributions in respect of defined contribution pension schemes and multi-employer defined benefit schemes where, the employer's contributions are set in relation to the current service period only, are charged to the profit and loss account as they fall due

Leases

Operating lease rentals are charged to the profit and loss account in equal amounts over the lease term

Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date Exchange differences are taken to the profit and loss account in the year in which they arise

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items to taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19, *'Deferred Tax'*

Notes to the financial statements

at 31 December 2011

2. Operating profit

Operating profit is stated after charging

	2011	*2010*
	£000	*£000*
Depreciation charge	2,339	2,761
Operating lease rentals – plant and machinery	220	421
– other	2,065	1,817

Remuneration of the Company's auditor for provision of audit services to the Company was £84,000 (2010 £92,000) and for non-audit services was £nil (2010 £nil) during the year

3 Interest receivable and similar income

	2011	*2010*
	£000	*£000*
Interest receivable	-	79
Interest receivable from group undertakings	1,581	501
Foreign exchange gain	41	17
Forward points on hedge	54	19
	1,676	616

4. Interest payable and similar charges

	2011	*2010*
	£000	*£000*
Interest payable from group undertakings	-	2
	-	2

Notes to the financial statements

at 31 December 2011

5. Directors' emoluments

The remuneration of the directors of the Company was

	2011	*2010*
	£000	*£000*
Directors' emoluments	540	685
Contributions towards defined contribution scheme	37	33
Other emoluments (including benefits in kind)	3	3
	580	721

Highest paid director

	2011	*2010*
	£000	*£000*
Total emoluments	352	446
Contributions towards defined contribution scheme	24	20
	376	466

Retirement benefits are accruing to two directors (2010 two directors) under a defined contribution scheme

6 Staff costs (including executive directors and short term contractors)

(a) Staff costs

	2011	*2010*
	£000	*£000*
Wages and salaries	32,830	28,326
Social security costs	3,666	3,077
Pension costs (note 15)	759	644
	37,255	32,047

Notes to the financial statements

at 31 December 2011

6 Staff costs (including executive directors and short term contractors) (continued)

(b) The average number of persons (including executive directors and short-term contractors) employed during the year, analysed by category was as follows

	2011	*2010*
Production	642	488
Selling	4	50
Administration	21	70
Directors	2	2
	669	610

7. Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2011 *£000*	*2010* *£000*
UK corporation tax on profit for the year	5,219	5,231
Adjustments in respect of previous periods	860	295
Total current tax charge (note 7b)	6,079	5,526
Deferred taxation		
Originating and reversal of timing differences	(456)	(606)
Adjustments relating to previous years (note 14)	145	(293)
Release of deferred tax impairment (note 14)	(226)	(2,430)
Total deferred tax benefit	(537)	(3,329)
Tax on profit on ordinary activities	5,542	2,197

Notes to the financial statements

at 31 December 2011

7. Tax on profit on ordinary activities (continued)

(b) Factors affecting tax for the year

The tax assessed on the profit on ordinary activities is higher (2010 higher) than the standard rate of corporation tax in the UK of 26 5% (2010 28 0%) The differences are explained below

	2011	*2010*
	£000	*£000*
Profit on ordinary activities before taxation	17,384	16,197
Current tax at 26 5% (2010 28 0%)	4,607	4,535
Effect of		
Disallowed expenses and non-taxable income	92	67
Depreciation in excess of capital allowances	534	745
Timing differences	(51)	(116)
Adjustment relating to previous years	860	295
Research and development	37	-
Current tax charge for the year (note 7a)	6,079	5,526

The deferred tax asset at 31 December 2011 has been fully recognised (2010 partially recognised) to the extent that profit forecasts for the Company, and for the UK group as a whole, indicate that the deferred tax asset will be realised in the foreseeable future (see note 14)

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012

This will reduce the Company's future current tax charge accordingly and further reduce the deferred tax asset at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £464,000

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax asset accordingly

Notes to the financial statements

at 31 December 2011

8. Tangible fixed assets

	Improvements to short-term leasehold properties £000	*Post-production equipment £000*	*Fixtures Fixtures and fittings £000*	*Total £000*
Cost				
At 1 January 2011	4,985	33,301	1,967	40,253
Additions	1,436	3,563	98	5,097
At 31 December 2011	6,421	36,864	2,065	45,350
Depreciation				
At 1 January 2011	4,209	30,168	1,733	36,110
Charge for year	548	1,624	67	2,239
At 31 December 2011	4,757	31,792	1,800	38,349
Net book value				
At 31 December 2011	1,664	5,072	265	7,001
Net book value				
At 1 January 2011	776	3,133	234	4,143

9 Fixed asset investments

	Total £000
At 1 January 2011	1
Shares received	138
Charged to profit and loss account	(139)
At 31 December 2011	-

During the year the dormant companies previously held by the Company were dissolved The value of these companies was impaired

In addition a share issue valued at £138,000 from Blonde Films Limited was also impaired

The only interest in group undertakings held directly by the Company are

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares and voting rights held	Principal activity
Light Parade Limited	England & Wales	Ordinary £1	100%	Dormant
Blonde Films Limited	England & Wales	Ordinary £1	100%	Dormant

Notes to the financial statements

at 31 December 2011

10 Debtors

	2011	*2010*
	£000	*£000*
Trade debtors	10,847	8,171
Amounts owed by group undertakings	42,158	24,313
Net deferred tax (note 14)	3,866	3,329
Prepayments and accrued income	2,720	464
	59,591	36,277

11 Creditors amounts falling due within one year

	2011	*2010*
	£000	*£000*
Trade creditors	556	358
Bank overdrafts and loans	86	-
Amounts owed to group undertakings	5,673	1,304
Other creditors	129	79
Other taxation and social security	12,587	9,321
Accruals and deferred income	13,264	8,973
	32,295	20,035

The Company, together with certain other group companies, has entered into a cash pooling arrangement with Barclays Bank PLC Funds are held with a central treasury account where Barclays Bank PLC has the right to apply positive cash balances of the Company against indebtedness or liabilities of other companies named in the agreement Treasury funds are reported as an intercompany debtor/creditor in the financial statements This facility is guaranteed by Technicolor S A

12. Creditors. amounts falling due after one year

	2011	*2010*
	£000	*£000*
Other creditors	932	471

Notes to the financial statements

at 31 December 2011

13. Provisions

	Other Provisions	*Total*
	£000	*£000*
At 1 January and 31 December 2011	100	100

Other provisions include amounts in respect of dilapidation provisions on existing UK properties, which will unwind over the remaining lease terms (see note 1)

14. Deferred taxation

Movement in deferred tax

	Deferred tax asset 2011	*Deferred tax asset 2010*
	£000	*£000*
At 1 January	3,329	-
Originating and reversal of timing differences	456	606
Adjustments relating to previous years	(145)	293
Release of deferred tax impairment	226	2,430
At 31 December	3,866	3,329

Deferred tax asset comprises

	2011	*2010*
	£000	*£000*
Differences between accumulated depreciation and amortisation and capital allowances	3,714	3,452
Other timing differences	152	103
Deferred tax impairment	-	(226)
Total deferred tax asset (note 10)	3,866	3,329

Notes to the financial statements

at 31 December 2011

14 Deferred taxation (continued)

Unrecognised deferred tax assets

	2011	*2010*
	£000	*£000*
Deferred tax assets have not been recognised in respect of the following items		
Accelerated capital allowances	-	226
Total unrecognised deferred tax	-	226

15 Pension and similar obligations

The Company offers eligible employees membership of the Technicolor Group stakeholder defined contribution pension scheme The total cost of this scheme to the Company in the year ended was £722,000 (2010 £611,000)

In addition two current employees are members of three defined contributions pension schemes The total cost of these schemes to the Company for the year ended was £37,000 (2010 £33,000)

As a member of a multi-employer defined benefit scheme, where the employers contributions are set in relation to the current service period only, the pension scheme has been accounted for as a defined contribution scheme in accordance with paragraph 9a of FRS 17, *'Retirement Benefits'*

The total amount of all employer contributions owing at 31 December 2011 was £65,763 (2010 £58,825)

16 Share capital

	2011	*2010*
	£000	*£000*
Allotted, called up and fully paid		
200 ordinary shares of £1 each	–	–

Notes to the financial statements

at 31 December 2011

17. Reserves

	Profit and loss account
	£000
At 1 January 2011	21,439
Profit for the year	11,842
At 31 December 2011	33,281

18. Reconciliation of movements in shareholders' funds

	£000	*£000*
Profit for the financial year	11,842	14,000
Net increase in shareholders' funds	11,842	14,000
Opening shareholders' funds	21,439	7,439
Closing shareholders' funds	33,281	21,439

19. Financial commitments

As at 31 December 2011, the Company was committed to payments during the next year under non-cancellable operating leases, expiring as set out below

	2011 Land and buildings £000	*2011 Plant and machinery £000*	*2010 Land and buildings £000*	*2010 Plant and machinery £000*
Expiring within				
Within one year	-	-	-	48
Between two and five years	1,927	754	1,414	172
	1,927	754	1,414	220

Notes to the financial statements

at 31 December 2011

20. Capital commitments

As at 31 December 2011 there were capital commitments of £nil (2010 £nil)

21 Ultimate parent undertaking

The immediate parent undertaking is Technicolor Holdings Limited, a company incorporated in England and Wales

The Company's ultimate controlling and parent undertaking at the balance sheet date is Technicolor S A , a Company incorporated in France This is the holding company in which the results of the Company are consolidated, and these consolidated financial statements are available from Technicolor S A , 1, rue Jeanne d'Arc, 92443 Issy-les-Moulineaux Cedex, France