

Vision Video Limited

Directors' report and financial statements

For the year ended 31 December 2008

Registered number: 1215334

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Vision Video Limited

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Vision Video Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activities and business review

The principal activity is primarily in the special interests DVD market that includes the comedy and children's market.

Results and dividends

The profit for the year, after taxation, amounted to £1,886,000 (2007: £2,224,000).

The directors do not recommend the payment of a dividend (2007: £nil).

Directors

The directors who held office during the year and up to the date of the directors' report were:

J E Cunningham
D Ruiz Salinas (resigned 15 August 2008)
I D Foster
M Holive (appointed 18 February 2009)

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

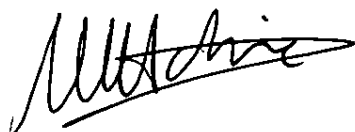
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

Under section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor(s) 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *24th June 2009* and signed on its behalf.

M Holive
Director



80-110 New Oxford Street
London
WC1A 1HB

Vision Video Limited

Statement of directors' responsibilities for the year ended 31 December 2008

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- 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 proper accounting records that 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 1985. 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.

Vision Video Limited

Independent auditors' report to the members of Vision Video Limited

We have audited the financial statements of Vision Video Limited for the year ended 31 December 2008, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Vision Video Limited

Independent auditors' report to the members of Vision Video Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG LLP

KPMG LLP

Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Date: 30 June 2009

Vision Video Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	2	-	2,493
Cost of sales		-	(1,448)
		<hr/>	<hr/>
Gross profit		-	1,045
Selling and distribution costs		-	(347)
Administrative expenses		-	(147)
		<hr/>	<hr/>
Operating profit	3	-	551
Interest receivable and similar income	6	2,725	2,760
Interest payable and similar charges	7	(88)	(100)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,637	3,211
Tax on profit on ordinary activities	8	(751)	(987)
		<hr/>	<hr/>
Profit for the financial year	16	<u>1,886</u>	<u>2,224</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

Vision Video Limited

Balance sheet as at 31 December 2008

	Note	£000	2008 £000	£000	2007 £000
Fixed assets					
Fixed asset investments	9		-		-
Current assets					
Debtors	10	53,674		55,603	
Creditors: amounts falling due within one year	11	(1,081)		(4,435)	
Net current assets			52,593		51,168
Total assets less current liabilities			52,593		51,168
Creditors: amounts falling due after more than one year	12		(1,465)		(1,795)
Provisions for liabilities	14		-		(131)
Net assets			51,128		49,242
Capital and reserves					
Called up share capital	15		42,469		42,469
Profit and loss account	16		8,659		6,773
Shareholders' funds	17		51,128		49,242

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24 th June 2009.


M Holive
Director

The notes on pages 8 to 15 form part of these financial statements.

Vision Video Limited

Cash flow statement for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Net cash flow from operating activities	18	1,169	(3,642)
Returns on investments and servicing of finance	19	2,637	2,660
Taxation		(3,547)	(919)
Cash inflow/(outflow) before financing		259	(1,901)
Financing	19	(259)	(230)
Decrease in cash in the year		-	(2,131)

Reconciliation of net cash flow to movement in net funds/debt for the year ended 31 December 2008

		2008 £000	2007 £000
Decrease in cash in the year	20	-	(2,131)
Movement in net debt in the year		-	(2,131)
Net funds at 1 January 2008		-	2,131
Net funds at 31 December 2008		-	-

The notes on pages 8 to 15 form part of these financial statements.

Vision Video Limited

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents the invoiced value of video and DVD sales, excluding value added tax.

1.3 Investments

Investments in associates are valued at cost less provision for impairment.

1.4 Finance leases

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Assets relate to rights to the film "Guest House Paradiso" as a result of the company entering into a sale and lease back transaction.

1.5 Taxation

Taxation for the year is based on the profit for the year.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Vision Video Limited

Notes to the financial statements

1. Accounting policies (continued)

1.7 Royalty advances

Royalty advances paid are classified as debtors and amortised to the profit and loss account over a 12 month period after release date.

2. Turnover

A geographical analysis of turnover is as follows:

	2008 £000	2007 £000
United Kingdom	-	2,173
Rest of Europe	-	320
	<u>-</u>	<u>2,493</u>

3. Operating profit

The operating profit is stated after charging/(crediting):

	2008 £000	2007 £000
Difference on foreign exchange	-	(66)
Amortisation of royalty advances	-	1,266
	<u>-</u>	<u>1,266</u>

4. Auditors' remuneration

Remuneration of £2,000 (2007: £4,500) paid to the auditors for their services to the company was borne by a fellow group undertaking.

5. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2007: £nil).

6. Interest receivable and similar income

	2008 £000	2007 £000
Interest receivable from group companies	2,620	2,642
Bank interest receivable	105	118
	<u>2,725</u>	<u>2,760</u>

Vision Video Limited

Notes to the financial statements

7. Interest payable and similar charges

	2008 £000	2007 £000
Finance leases and hire purchase contracts	88	100

8. Taxation

	2008 £000	2007 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	751	953
Deferred tax		
Origination and reversal of timing differences	-	34
Tax on profit on ordinary activities	751	987

Factors affecting current tax charge for the year

The current tax assessed for the year is the same as (2007: lower than) the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
Profit on ordinary activities before tax	2,637	3,211
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	751	963
Effects of:		
Expenses not deductible for tax purposes	-	24
Capital allowances for year in excess of depreciation	-	(34)
Current tax charge for the year (see note above)	751	953

Factors that may affect future tax charges

There are no factors that may significantly affect future tax charges.

Vision Video Limited

Notes to the financial statements

9. Fixed asset investments

	Investments in participating interests £000
Cost or valuation	
At 1 January 2008 and 31 December 2008	300
Provision	
At 1 January 2008 and 31 December 2008	300
Net book value	
At 31 December 2008	-
At 31 December 2007	-

The company holds 35% of ordinary shares in Comedy Digital Limited, a company registered in the United Kingdom. It manages and operates a comedy website.

10. Debtors

	2008 £000	2007 £000
Trade debtors	62	656
Amounts owed by group undertakings	51,921	53,022
Royalty advances	1,691	1,925
	53,674	55,603

11. Creditors: Amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	-	138
Obligations under finance leases and hire purchase contracts (note 22)	330	259
Corporation tax	751	3,547
Other creditors	-	489
Accruals and deferred income	-	2
	1,081	4,435

Vision Video Limited

Notes to the financial statements

12. Creditors: Amounts falling due after more than one year

	2008 £000	2007 £000
Obligations under finance leases and hire purchase contracts (note 22)	<u>1,465</u>	<u>1,795</u>

13. Deferred taxation

	2008 £000	2007 £000
At 1 January 2007	-	34
Charge for the year	-	(34)
At 31 December 2007	<u>-</u>	<u>-</u>

There were no amounts of provided or unprovided deferred taxation as at 31 December 2008 or 31 December 2007.

14. Provisions

	Provision for returns £000
At 1 January 2008	131
Amounts utilised	(131)
At 31 December 2008	<u>-</u>

15. Share capital

	2008 £000	2007 £000
<i>Authorised, allotted, called up and fully paid</i>		
42,469,390 ordinary shares of £1 each	<u>42,469</u>	<u>42,469</u>

Vision Video Limited

Notes to the financial statements

16. Reserves

	Profit and loss account £000
At 1 January 2008	6,773
Profit for the year	1,886
	<hr/>
At 31 December 2008	8,659
	<hr/>

17. Reconciliation of movement in shareholders' funds

	2008 £000	2007 £000
Opening shareholders' funds	49,242	47,018
Profit for the year	1,886	2,224
	<hr/>	<hr/>
Closing shareholders' funds	51,128	49,242
	<hr/>	<hr/>

18. Net cash flow from operations

	2008 £000	2007 £000
Operating profit	-	551
Decrease in stocks	-	247
Decrease/(increase) in debtors	1,929	(1,261)
Decrease in creditors	(629)	(2,590)
Decrease in provisions	(131)	(589)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operations	1,169	(3,642)
	<hr/>	<hr/>

19. Analysis of cash flows for headings netted in cash flow statement

	2008 £000	2007 £000
Returns on investments and servicing of finance		
Interest received	2,725	2,760
Finance lease interest	(88)	(100)
	<hr/>	<hr/>
Net cash inflow from returns on investments and servicing of finance	2,637	2,660
	<hr/>	<hr/>
	2008 £000	2007 £000
Financing		
Repayment of finance leases	(259)	(230)
	<hr/>	<hr/>

Vision Video Limited

Notes to the financial statements

20. Analysis of changes in net debt

	1 January 2008 £000	Cash flow £000	Other non-cash changes £000	31 December 2008 £000
<i>Net funds</i>	-	-	-	-

21. Related party transactions

	Amount (credited)/ charged 2008 £000	Receivable/ (payable) at 31 December 2008 £000	Amount (credited)/ charged 2007 £000	Receivable/ (payable) at 31 December 2007 £000
<i>Universal Pictures Productions Limited</i>				
Overhead costs	-	-	83	-
Sale of catalogue	-	-	(887)	-
Interest on loan account	(2,620)	51,921	(2,642)	51,617
<i>Universal Pictures International BV</i>				
Net royalty (receivable)/payable	-	-	(267)	-
<i>4 Front Video Limited</i>				
Trading balances	-	-	-	1,354
<i>Other</i>	-	-	-	51

J E Cunningham and I D Foster are also directors of Universal Pictures Productions Limited and 4 Front Video Limited.

M Holive is also director of Universal Pictures Productions Limited.

22. Commitments under finance leases

Future minimum payments, net of finance charges, under finance leases are as follows:

	2008 £000	2007 £000
Within 1 year	330	259
Between 2 and 5 years	1,465	1,372
After more than 5 years	-	423
Total	1,795	2,054

The finance lease relates to rights to the film "Guest House Paradiso" as a result of the company entering into a sale and lease back transaction.

Vision Video Limited

Notes to the financial statements

23. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is NBC Universal International Limited (previously Universal Pictures Holdings UK Limited), a company registered in England and Wales.

The smallest and the largest group in which the results of the company are consolidated is that headed by the company's ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06828, USA or at www.ge.com.