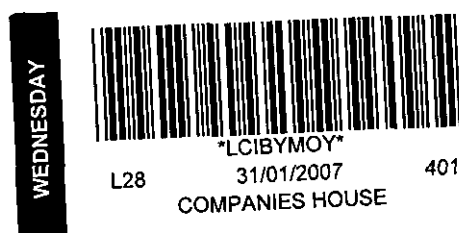


SONY PICTURES TELEVISION PRODUCTION UK
LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2006



Registered number: 3236308

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the year ended 31 March 2006.

Principal activity

The principal activity of the company is to operate as a television programme production company.

Review of business and future developments

The results of the company show a profit before taxation of £3,438,088 (2005: loss of £989,359) for the year and turnover of £12,940,181 (2005: £2,398,915).

The company has net liabilities of £2,826,093 (2005: £6,193,394).

With the aim of improving the quality and timeliness of the production of the financial information, the company changed accounting systems to SAP during the year ended 31 March 2006. The system went live on 1 January 2006.

Strategy

The company's overriding objective to achieve sustainable results is to ensure that it is producing a broad range of television programmes.

Principal risks and uncertainties

The company is dependent upon the ability of existing and future television programmes to meet changing market demand.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Dividends

The directors do not recommend the payment of a dividend (2005: £nil).

Directors

The names of the directors who served during the year and subsequently are as follows:

A B Robertson
J B McMahon
S Kent
A H Root (appointed 9 September 2005)

Directors' interests

The directors held no interest in the share capital of the company during the years ended 31 March 2006 and 31 March 2005.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the company and which 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.

So far as each director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. In accordance with section 386(1) of the Companies Act 1985, the company has passed a resolution electing to dispense with the obligation to appoint auditors annually.

Annual General Meeting

In accordance with section 252(1) of the Companies Act 1985, the company has passed a resolution electing to dispense with the obligations to lay accounts and reports before the company in a general meeting.

In accordance with section 366A(1) of the Companies Act 1985, the company has passed a resolution electing to dispense with the obligations to hold annual general meetings.

By order of the Board



A G Castle
Secretary

30 January 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SONY PICTURES TELEVISION PRODUCTION UK LIMITED

We have audited the financial statements of Sony Pictures Television Production UK Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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

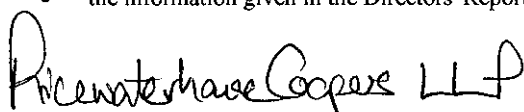
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 March 2006 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

30 January 2007

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
Turnover	1	12,940,181	2,398,915
Production costs incurred during the year		(8,656,534)	(4,289,142)
Production costs deferred	8	3,286,146	3,156,780
Release of prior years' deferred production costs	8	(3,156,780)	(1,697,219)
		(8,527,168)	(2,829,581)
Gross profit/(loss)		4,413,013	(430,666)
Administrative costs		(974,925)	(558,693)
Profit/(loss) on ordinary activities before taxation	2	3,438,088	(989,359)
Tax on profit/(loss) on ordinary activities	3	(70,787)	240,599
Profit/(loss) for the year	12	3,367,301	(748,760)

All activities of the company are continuing.

The company has no recognised gains or losses other than the profit for the year.

There are no material differences between the profit on ordinary activities before and the profit for the year and their historical cost equivalents.

The notes on pages 6 to 12 form part of these accounts.

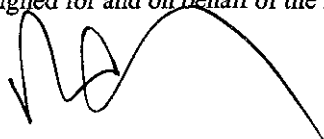
SONY PICTURES TELEVISION PRODUCTION UK LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible	6	4,862	-
Investment in subsidiaries	7	1	1
		4,863	1
Current assets			
Deferred production costs	8	3,286,146	3,156,780
Debtors	9	1,671,443	2,255,489
Cash at bank and in hand		111,642	5,448
		5,069,231	5,417,717
Creditors: Amounts falling due within one year	10	(7,900,187)	(11,611,112)
Net liabilities		(2,826,093)	(6,193,394)
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(2,827,093)	(6,194,394)
Shareholders' deficit		(2,826,093)	(6,193,394)

The notes on pages 6 to 12 form part of these accounts.

Signed for and on behalf of the Board.



A B Robertson
Director

30 January 2007

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE ACCOUNTS – 31 MARCH 2006

1 Accounting policies

The principal accounting policies are summarised below.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption under Section 228A of the Companies Act 1985 not to prepare group accounts as its ultimate parent company, Sony Corporation, prepares consolidated financial statements.

b) Cash flow and related party disclosures

The company has taken advantage of the exemption under Financial Reporting Standard 1 (revised 1996) not to publish a cash flow statement as its ultimate parent company, Sony Corporation, has prepared consolidated financial statements which are publicly available.

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party disclosures with entities that are part of Sony Corporation.

c) Turnover

The turnover of the company is comprised of programme license fees and production fees. Revenue from programmes licensed to television companies is recognised on the availability of the programme as set out in the related contract.

d) Depreciation of tangible fixed assets

Fixed assets are stated at cost less depreciation. Depreciation has been calculated to write off the asset cost less residual value on a straight line basis over the estimated useful lives at the following rates:

Furniture and fittings	-	20%
Computers	-	33%
Machinery and equipment	-	33%

e) Going concern

Columbia Pictures Corporation Limited, the immediate parent undertaking, has confirmed that it will continue to provide financial support for the company for 12 months from the date of signing these financial statements and accordingly the accounts have been drawn up on a going concern basis.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2006 (continued)

1 Accounting policies (continued)

f) Foreign currency

Assets and liabilities in foreign currencies are translated at year end rates. All exchange differences are dealt with in the profit and loss account.

g) Deferred costs

Development costs relating to programmes that have not been commissioned, or where recovery of the costs is not expected over the life of the production, are charged to the profit and loss account when incurred.

Production costs relating to programmes that have been commissioned, or where recovery of the costs is expected over the life of the production are deferred during the period of production and are released over the period in which the production is expected to generate revenue. Where costs are not deemed recoverable, a provision is made against these amounts and charged to the profit and loss account.

h) Investments

Investments are stated at cost less provisions for impairment. The company is not required to prepare group accounts under the exemption allowed by s228(2) Companies Act 1985, as it is a wholly owned subsidiary undertaking of an EC parent as detailed in note 13.

i) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In relation to deferred taxation, under FRS 19, full provision is made for timing differences and deferred taxation. Deferred taxation 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 apply less tax in the future, have occurred at the balance sheet date.

When a deferred tax asset is regarded as recoverable, it is 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 from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rate that is 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 assets and liabilities recognised have not been discounted.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2006 (continued)

1 Accounting policies (continued)

j) Pension costs

The company participates in the Columbia Pictures Corporation Limited Staff Pension and Life Assurance Scheme.

The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, in accordance with FRS17 and therefore the company accounts for the scheme as if it is a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the financial year.

2 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2006 £	2005 £
Auditors' remuneration	5,000	4,000

3 Tax on profit/(loss) on ordinary activities

	2006 £	2005 £
UK Corporation tax charge/(credit) for the year at 30% (2005 – 30%)		
- Current year	254,248	(240,599)
- Prior year	(182,667)	-
Total corporation tax	71,581	(240,599)
Deferred tax		
- Current year	558	-
- Prior year	(1,352)	-
Total deferred tax	(794)	-
Total tax charge/(credit) on ordinary activities	70,787	(240,599)

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2006 (continued)

3 Tax on profit/(loss) on ordinary activities (continued)

The effective tax rate for the period is lower than the standard rate of corporation tax in the UK (30%).
The differences are explained below:

	2006 £	2005 £
Profit/(loss) on ordinary activities before tax	3,438,088	(989,359)
Profit/(loss) on ordinary activities multiplied by standard rate in UK (30%)	1,031,426	(296,808)
Effects of:		
Expenses not deductible for tax purposes	2,924	56,659
Other adjustments	(108,317)	-
Capital allowances in excess of depreciation	(558)	(450)
Previously unrecognised losses brought forward and fully utilised	(671,227)	-
Adjustments in respect of prior years	(182,667)	-
Current tax charge/(credit) for the year	71,581	(240,599)

	Amount provided		Amount unprovided	
	2006 £	2005 £	2006 £	2005 £
Accelerated capital allowances	794	-	-	1,352
Tax losses carried forward	-	-	-	671,227
	794	-	-	672,579

Losses brought forward of £2,237,423 which were unprovided in 2005 have been fully utilised against the corporation tax liability arising in the current year.

4 Staff costs

	2006 £	2005 £
Wages and salaries	553,168	338,927
Social security costs	39,048	40,219
Other pension costs	25,559	20,342
	617,775	399,488

The average number of employees in the year was 5 (2005: 4).

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2006 (continued)

5 Directors' remuneration

The directors received no emoluments in respect of their services to the company (2005 :£nil).

6 Fixed assets

	Furniture and fixtures £	Machinery and equipment £	Computers £	Total £
Cost				
At 1 April 2005	10,717	12,087	17,629	40,433
Additions	1,662	-	3,844	5,506
Disposals	(10,717)	(12,087)	(17,629)	(40,433)
At 31 March 2006	1,662	-	3,844	5,506
Depreciation				
At 1 April 2005	10,717	12,087	17,629	40,433
Charge for the year	190	-	454	644
Disposals	(10,717)	(12,087)	(17,629)	(40,433)
At 31 March 2006	190	-	454	644
Net book amount at 31 March 2006	1,472	-	3,390	4,862
Net book amount at 31 March 2005	-	-	-	-

7 Investment in subsidiary undertaking

	Shareholding	2006 £	2005 £
Sony Pictures Television Production Pty Ltd	100% ordinary share capital	1	1

Sony Pictures Television Production Pty Ltd is a film production company registered in Australia.

8 Deferred production costs

	2006 £	2005 £
Opening production costs deferred	3,156,780	1,697,219
Costs incurred and deferred in the current year	3,286,146	3,156,780
Deferred costs released to profit in the current year	(3,156,780)	(1,697,219)
Closing production costs deferred	3,286,146	3,156,780

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2006 (continued)

9 Debtors

	2006 £	2005 £
VAT recoverable	25,721	34,252
Trade debtors	154,199	661,466
Amount due from group undertakings	1,486,835	1,558,416
Deferred tax asset	794	-
Other debtors	3,894	1,355
	<u>1,671,443</u>	<u>2,255,489</u>

10 Creditors: Amounts falling due within one year

	2006 £	2005 £
Trade creditors	127,304	6,950
Amounts due to group undertakings	7,647,960	8,835,484
Accruals and deferred income	124,923	2,768,678
	<u>7,900,187</u>	<u>11,611,112</u>

11 Share capital

	2006 £	2005 £
Authorised share capital:		
Ordinary shares of £1 each	326,000	326,000
Non voting, cumulative redeemable preference shares of £1 each	10,000,000	10,000,000
Allotted, issued called up and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12 Profit and loss account

	2006 £
At 1 April 2005	(6,194,394)
Profit for the year	<u>3,367,301</u>
At 31 March 2006	<u>2,827,093</u>

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2006 (continued)

13 Reconciliation of movements in shareholders' deficit

	2006 £
Opening shareholders' deficit	(6,193,394)
Profit for the year	3,367,301
	<hr/>
Closing shareholders' deficit	(2,826,093)

14 Pension contributions

Employees have the opportunity to become members of the Columbia Pictures Corporation Limited Staff Pension and Life Assurance Scheme, a defined benefit scheme.

The contributions paid by the company are accounted for as if the scheme was a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. Contributions in the year by Sony Pictures Television Production UK Limited amounted to £25,559 (2005: £20,342).

Full details in respect of the Columbia Pictures Corporation Limited Staff Pension and Life Assurance Scheme are disclosed in the Columbia Pictures Corporation Limited accounts which can be obtained from Baker & Mackenzie, 100 New Bridge Street, London, EC4V 6JA.

15 Ultimate controlling party and related party transactions

The company is a wholly owned subsidiary of Columbia Pictures Corporation Limited a company incorporated in England and Wales.

The ultimate holding company and controlling party is Sony Corporation, a company incorporated in Japan. Sony Corporation is the smallest and largest group for which group accounts are drawn up. Copies of the group accounts can be obtained from Baker & McKenzie, 100 New Bridge Street, London EC4V 6JA.