

Vidfilm International Digital Subtitling Limited

Report and Financial Statements for the year ended 31 December 2005

Registered no: 4211782



Vidfilm International Digital Subtitling Limited

Annual Report

For the year ended 31 December 2005

	Pages
Directors' Report and Statement of Directors' Responsibilities	1 - 2
Independent Auditors' Report	3 - 4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 10

Directors' Report
for the year ended 31 December 2005

The directors present their report and the audited financial statements for the year ended 31 December 2005.

Principal Activities

The principal activity of the company was formerly subtitling.

Review of Business and Future Developments

The profit for the year after taxation was £97,568 (2004: £nil). No dividends were paid in the year and the directors do not recommend the payment of a dividend for the year (2004: £nil).

Events since the balance sheet date

There have been no events since the Balance Sheet date that affect the understanding of these financial statements.

Directors

The directors of the company who served throughout the year ended 31 December 2005 and to the date of this report were:

R Beck (resigned 6 October 2006)
R Andrews (resigned 6 October 2006)
S Constable (Appointed 6 October 2006)
R Cree (Appointed 6 October 2006)

Directors' Interests

None of the directors in office at the year-end had any interest in the share capital of the company, ultimate parent company or any other companies in the group at 31 December 2005.

Statement of Directors' Responsibilities

The directors are responsible for the preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial period, which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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.

At the date of approving this report, so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors confirm that they have taken all necessary steps, as directors, to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

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

By order of the board



R Cree
Director



12 December 2006

Registered Office:
26-28 Hammersmith Grove
London
W6 7PE

Independent Auditor's Report to the Members of Vidfilm International Digital Subtitling Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

12 December 2006

Profit and Loss Account
for the year ended 31 December 2005

	Notes	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Waiver of amounts due to group undertakings		97,568	-
Profit on ordinary activities before taxation	3	97,568	-
Tax on ordinary activities	4	-	-
Profit on ordinary activities after taxation		97,568	
Retained profit for the year	7	97,568	-

There is no material difference between the retained profit for the year stated above and its historical cost equivalents.

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

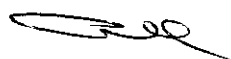
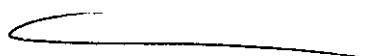
Balance Sheet**As at 31 December 2005**

	Notes	2005 £	2004 £
Creditors: amounts falling due after more than one year	5	-	(97,568)
Net Liabilities		<u>-</u>	<u>(97,568)</u>
Capital and reserves			
Called-up share capital	6	120	120
Share premium	7	24,940	24,940
Profit and loss account	7	(25,060)	(122,628)
Shareholders' funds	7	<u>-</u>	<u>(97,568)</u>

The financial statements were approved by the board of directors on 12 December 2006 and were signed on its behalf by:



R Cree
Director

Notes to the Financial Statements

for the year ended 31 December 2005

1. Principal Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

Related Party Transactions

Financial Reporting Standard No 8 requires the disclosure of the detail of material transactions between the company and any related parties. The company is a wholly owned subsidiary of Thomson S.A. and has taken advantage of the exemption from providing such information on group transactions.

2. Employee Information

The only employees during the period were the directors, none of whom received any remuneration.

3. Profit on ordinary activities

The auditor's remuneration was borne and paid for by a fellow subsidiary undertaking.

4. Tax on profit on ordinary activities**a) Analysis**

	Year Ended 31 December 2005 £	Year Ended 31 December 2004 £
UK Corporation Tax for the year	-	-
Adjustment in respect of prior years	-	-
Total current tax (note 4b)	-	-
Deferred Tax		
Originating and reversal of timing differences	-	-
Adjustments relating to prior years	-	-
Total deferred tax	-	-
Tax charge for the year	-	-

b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	£	£
Profit on ordinary activities before tax	97,568	-
Corporation tax at the Standard rate of 30%	29,270	-
Effect of:		
Disallowed expenses & non taxable income	(29,270)	-
Depreciation/Impairment in excess of capital allowances	-	-
Current tax charge for the year (note 4a)	-	-

The directors are not aware of any factors different to the above which may affect the tax charge in the future.

5. Creditors

	31 December 2005	31 December 2004
	£	£
Amounts falling due after more than one year		
Amounts owed to group companies		
- Intercompany Loans	-	97,568
	-	97,568

6. Share Capital

	31 December 2005	31 December 2004
	£	£
Authorised		
151,000 ordinary shares of £1 each	151,000	151,000
	<u>151,000</u>	<u>151,000</u>
 Allotted, called up and fully paid		
120 ordinary shares of £1 each	120	120
	<u>120</u>	<u>120</u>

7. Reconciliation of Movements in Shareholders' Funds

	Share Capital	Share Premium	Profit and loss account	Total Shareholder' Funds
	£	£	£	£
At 1 January 2005	120	24,940	(122,628)	(97,568)
Retained profit for the year	-	-	97,568	97,568
At 31 December 2005	120	24,940	(25,060)	-

8. Financing

The Directors have received confirmation that Technicolor Creative Services (UK) Limited will continue to support the Company such that it can continue to settle its liabilities as they fall due. Accordingly, the accounts have been prepared on a going concern basis.

9. Ultimate Parent Company

The immediate parent is Technicolor Creative Services (UK) Limited. The company's ultimate parent company and ultimate controlling party (in accordance with FRS8) at the balance sheet date was Thomson S.A., whose financial statements are publicly available, from 46 Quai Alphonse Le Gallo, 92100 Boulogne, France. The company is not consolidated within any other group.