Vidfilm International Digital Subtitling Limited

Report and Financial Statements
for the year ended 31 December 2006

Registered no· 4211782

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Vidfilm International Digital Subtitling Limited

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Directors' Report

for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

Principal Activities

The principal activity of the company was formerly subtitling

Review of Business and Future Developments

The company received no income and incurred no expenditure for the year (2005 profit £97,568) The directors do not propose the payment of a dividend (2005 £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 2006 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, resigned 31 July 2007)
R Cree (Appointed 6 October 2006)
S Forde (Appointed 31 July 2007)

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 2006

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)

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, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 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

By order of the board

R Cree
Director

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

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

We have audited the financial statements of Technicolor Imaging Limited for the year ended 31 December 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

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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page [number]

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

Independent auditors' report to the members of Technicolor Creative Services (UK) Limited *(continued)*

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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 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

KPMG LLP [Date] [Date]
Chartered Accountants
Registered Auditor

Profit and Loss Account
for the year ended 31 December 2006

	Notes	**Year ended 31 December 2006 £000**	Year ended 31 December 2005 £000
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 2006

	Notes	2006 £	2005 £
Creditors: amounts falling due after more than one year	5	-	-
Net Liabilities		-	-
Capital and reserves			
Called-up share capital	6	**120**	120
Share premium	7	**24,940**	24,940
Profit and loss account	7	**(25,060)**	(25,060)
Shareholders' funds	7	-	-

The financial statements were approved by the board of directors on
and were signed on its behalf by

R Cree
Director

Notes to the Financial Statements

for the year ended 31 December 2006

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 2006 £000	Year Ended 31 December 2005 £000
UK Corporation Tax for the year	-	-
Adjustment in respect of prior years	-	-
Total current tax (note 3b)	-	-
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

	£000	£000
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 3a)	-	-

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 2006	31 December 2005
	£	£
Amounts falling due after more than one year		
Amounts owed to group companies		
- Intercompany Loans	-	-
	-	-

6. Share Capital

	31 December 2006 £	31 December 2005 £
Authorised		
151,000 ordinary shares of £1 each	**151,000**	151,000
	151,000	151,000
Allotted, called up and fully paid		
120 ordinary shares of £1 each	**120**	120
	120	120

7. Reconciliation of Movements in Shareholders' Funds

	Share Capital	Share Premium	Profit and loss account	Total Shareholder' Funds
	£		£	£
At 1 January 2006 and 31 December 2006	**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