Technicolor Distribution Services UK Limited

Director's report and financial statements

Registered number 05973864

31 December 2011

Contents

Director's report

The director presents his report and the audited financial statements for the year ended 31 December 2011

Objectives and strategy of the company

The company's principal activity during the year was the provision of television broadcast, post production and studio facilities

The company recognises its continued success is reliant upon allying high levels of customer service with the ability to deliver high quality, innovative solutions to these markets

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 industry to service changing client needs The main risks affecting the company are loss of key contracts and loss of key personnel Key programs are in place to ensure risks identified are mitigated and the company maintains best-in-class operational efficiency These centre on key client management and dedicated commercial development teams exploring new markets and opportunities In addition, human resource talent programs are in place for the development and retention of staff

Results and KPI's

Management monitors the business using information similar to that disclosed in these financial statements During 2011 the business's turnover increased by 1% compared to 2010 This was contributed to by an increase in customer broadcasting activity The loss for the year before taxation was £1,912,000 with a loss for the year after taxation of £1,163,000 (2010 profit before taxation £6,673,000, profit after taxation £6,377,000)

Adapting to customer demands, the company continues to streamline its operations, with an aim towards maintaining its industry leading service solutions that combine high quality with cost effectiveness

Future developments

The director believes that the company will continue to perform in line with expectations The company has made progress in improving operational management, customer coverage and reactivity in a rapidly evolving media, entertaining and communications market

The rapid and dramatic evolution of the human resource talent and skill base, together with a first class offering of technologies, systems and services, has been critical on the businesses capacity to develop new business approaches and maintain service levels to it's existing clients

The financial focus of the company over the next three years will be on optimising and managing its portfolio of activities for higher growth and results

On the 13 March 2012, Technicolor S A , the company's ultimate parent company, received a binding offer from Ericsson (NASDAQ ERIC) for the acquisition of its broadcasting services activities to which Technicolor Distribution Services UK Limited is part The transaction is expected to close around mid 2012 and is subject to the relevant customary regulatory administrative approvals and consultations In this respect therefore the company's future strategy and expectations may be dependent on the outcome of this binding offer

Dividends

No dividends were paid in the year and the director does not recommend the payment of a dividend for the year (2010 £nil)

Director's report *(continued)*

Directors and their interests

The directors of the company who served throughout the year ended 31 December 2011 and to the date of this report, except as noted, were

R Cree
C B Parker (resigned 19 January 2012)

No share options have been awarded to the directors during the year (2010 none) The directors had no share interests in the company in the years ended 31 December 2010 and 2011 which would require disclosure

Directors' indemnity

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the company's directors

Treasury operations and financial instruments

The company is part of the Technicolor group, which operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities

The Technicolor group's principal financial instruments include derivative financial instruments, the purpose of which is to manage currency risks and interest rate risks arising from the group's activities, and bank overdrafts, loans and corporate bonds, the main purpose of which is to raise finance for the group's operations In addition, the group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations Derivative transactions which the group enters into principally comprise forward exchange contracts In accordance with the Group's treasury policy, derivative instruments are not entered into for speculative purposes

Foreign currency risk

The group's principal foreign currency exposures arise from trading operations in overseas companies Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling This hedging activity involves the use of foreign exchange forward contracts

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfill credit rating criteria approved by the Board All customers who wish to trade on credit terms are subject to credit verification procedures Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary

Liquidity risk

The Group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of its businesses

Interest rate risk

The Group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans The Group uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates

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 financial and economic performance of the company

Political and charitable contributions

The company made no political donations during the year (2010 £nil)

The company made no charitable donation during the year (2010 £nil)

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and he 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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the members of the company have appointed Mazars LLP to hold office as auditor in the year

R Cree

Director

Building 1
3rd Floor Chiswick Park
566 Chiswick High Road
London
W4 5BY
17 June 2012

Statement of director's responsibilities in respect of the Director's report and the financial statements

The director is responsible for preparing the Director's 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 director has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006 He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Technicolor Distribution Services UK Limited

We have audited the financial statements of Technicolor Distribution Services UK Limited for the year ended 31 December 2011 which comprise the Profit and loss account, the Balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

Respective responsibilities of director and auditor
As explained more fully in the Director's responsibilities statement set out on page 4, the director is 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 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 This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed

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 loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 b) to the financial statements concerning the company's ability to continue as a going concern The company incurred a net loss of £1,163,000 during the year ended 31 December 2011 and, at that date, the company's current liabilities exceeded its total assets by £11,645,000 and it had net current liabilities of £14,521,000 These conditions, along with the other matters explained in Note 1 b) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Director's 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

Samantha Russell (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
Tower Bridge House
London E1W 1DD
Date 17 June 2012

Profit and loss account

for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Turnover	*2*	**7,598**	7,434
Cost of sales		**(8,039)**	(7,102)
Gross (loss)/profit		**(441)**	332
Administrative expenses		**(528)**	(358)
Other operating income		**-**	57
Fixed assets impairment write back		**-**	7,429
Operating (loss)/profit	*3*	**(969)**	7,460
Interest receivable and similar income	*6*	**1,071**	1,204
Interest payable and similar charges	*7*	**(2,014)**	(1,969)
Restructuring costs		**-**	(22)
(Loss)/profit on ordinary activities before tax		**(1,912)**	6,673
Tax credit/(charge) on (loss)/profit on ordinary activities	8	**749**	(296)
Net (loss)/profit for the financial year	*14*	**(1,163)**	6,377

All amounts relate to continuing operations There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

The notes on pages 9 to 18 form part of these financial statements

Balance sheet
at 31 December 2011

	Note	**2011**		2010	
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*9*		-		-
Tangible assets	*10*		**2,876**		1,739
Current assets					
Debtors	*11*	**30,871**		29,780	
Cash at bank and in hand		-		186	
		30,871		29,966	
Creditors: amounts falling due within one year	*12*	**(45,392)**		(42,187)	
Net current liabilities			**(14,521)**		(12,221)
Total assets less current liabilities			**(11,645)**		(10,482)
Net liabilities			**(11,645)**		(10,482)
Capital and reserves					
Called up share capital	*13*		-		-
Profit and loss account	*14*		**(11,645)**		(10,482)
Shareholder's deficit	*14*		**(11,645)**		(10,482)

The notes on pages ~~8~~ 9 to ~~17~~ 18 form part of these financial statements

The financial statements were approved by the director on 17 June 2011

Ross Cree
Director

Notes (forming part of the financial statements)

1 Accountıng policies

The followıng accountıng polıcıes have been applıed consıstently ın dealıng wıth ıtems whıch are consıdered materıal ın relatıon to the financıal statements

Basıs of Preparatıon

The financıal statements have been prepared under the hıstorıcal cost conventıon as modıfied by the revaluatıon of certaın tangıble fixed assets, and ın accordance wıth applıcable Accountıng Standards ın the Unıted Kıngdom A summary of the more ımportant accountıng polıcıes ıs set out below

Goıng concern

The company has net current lıabılıtıes of £14,521,000 as at 31 December 2011 and made a loss for the financıal year then ended of £1,163,000

The company currently meets ıts day to day workıng capıtal requırements from ıntercompany loans and balances wıth fellow group companıes of the group headed by Technıcolor S A (prevıously named Thomson S A) (the Group) whıch are repayable on demand

The Dırector has prepared cash flow forecasts for the next twelve months whıch show the company wıll contınue to be relıant on Group to support theır workıng capıtal needs These forecasts ınclude key assumptıons specıfically over the company's future tradıng actıvıty and acknowledge that varıatıons ın the tradıng assumptıons would ımpact the tımıng and quantum of cash flows

On the basıs of these forecasts Technıcolor S A has confirmed to the Dırector ıts ıntentıon to keep provıdıng the necessary support for at least the next twelve months from the date of approval of these financıal statements to enable the company to contınue to settle ıts lıabılıtıes as they fall due

The Board of Dırectors of Technıcolor S A has also consıdered the Group's cash flow projectıons and belıeves that the Group's current cash wıll be suffıcıent to meet the expected cash requırements of the Group and address potentıal financıal consequences of ongoıng lıtıgatıon, for 12 months from the sıgnıng of the company accounts However, ın the event the company were to be sold and cease to be part of the Technıcolor S A group durıng such twelve month perıod, the support of Technıcolor S A would cease on the date of completıon of the sale of the company On the 13 March 2012, Technıcolor S A , the company's ultımate parent company, receıved a bındıng offer from Erıcsson (NASDAQ ERIC) for the acquısıtıon of ıts broadcastıng servıces actıvıtıes to whıch Technıcolor Dıstrıbutıon Servıces UK Lımıted ıs part

The company's Dırector belıeves ıt ıs unlıkely that Technıcolor S A would not be able to provıde the support requıred Accordıngly, the dırector consıders that the forecasts and ındıcatıon of support from Technıcolor S A should enable the company to contınue ın operatıonal exıstence for the foreseeable future by meetıng ıts lıabılıtıes as they fall due for payment and have prepared the financıal statements on a goıng concern basıs As wıth any company placıng relıance on other group entıtıes for financıal support, the dırector acknowledges that there can be no certaınty that thıs support wıll contınue although, at the date of approval of these financıal statements, they have no reason to belıeve that ıt wıll not do so

Foreıgn currencies

Tradıng transactıons denomınated ın foreıgn currencıes are converted ınto sterlıng at the exchange rate rulıng when the transactıon was entered ınto All current assets and lıabılıtıes denomınated ın foreıgn currencıes are converted ınto sterlıng at the rates of exchange rulıng at the year end Exchange dıfferences are dealt wıth ın the profit and loss account

Turnover

Turnover, whıch excludes value added tax, represents the ınvoıce value of goods and the servıce supplıed Turnover ıs recognısed on the basıs of servıces provıded and ıs stated after deductıon of trade dıscounts

Notes *(contınued)*

1 Accounting polıcıes *(contınued)*

Leases

Leasıng agreements whıch transfer from the company substantıally all the benefits and rısks of ownershıp of an asset are treated as ıf the asset had been sold outrıght, the assets are not ıncluded ın fixed assets and the capıtal element of the leasıng commıtments ıs shown as finance lease receıvable under debtors The lease rentals are treated as consıstıng of capıtal and ınterest elements The capıtal element ıs applıed to reduce the outstandıng lease receıvable and the ınterest element ıs credıted to the profit and loss account usıng the sum of dıgıts method

Intangıble assets and amortısation

Goodwıll represents the excess cost of the busıness combınatıon over the faır value of the acquıree's ıdentıfiable assets, lıabılıtıes and contıngent lıabılıtıes Goodwıll ıs amortısed through the profit and loss account ın equal ınstalments over a perıod of less than 20 years The goodwıll ıs requıred to be tested for ımpaırment ıf events or changes ın cırcumstances ındıcate that ıt mıght be ımpaıred Impaırment losses may then be recognısed when the results of the ımpaırment revıew deem thıs necessary

Tangıble fixed assets

Fıxed assets are stated at theır purchase prıce, together wıth any ıncıdental expenses of acquısıtıon

Depreciatıon and ımpairment

Provısıon for depreciatıon ıs made so as to wrıte off the cost less resıdual value of tangıble fixed assets over the expected useful economıc lıfe of the fixed assets concerned and where approprıate to reflect any provısıon for ımpaırment as follows

Plant and machınery	-	broadcastıng assets over seven years, computers and perıpherals over five years
Assets under constructıon	-	Depreciatıon commences upon completıon of asset

The carryıng values of tangıble fixed assets are revıewed for ımpaırment ıf events or changes ın cırcumstances ındıcate the carryıng value may not be recoverable Value ın use ıs determıned by dıscountıng an asset's estımated future cash flow to ıts present value usıng a dıscount rate whıch reflects current market assessments of the tıme value of money and asset specıfic rısks

Taxatıon

The charge for taxatıon ıs based on the results for the year and takes ınto account taxatıon deferred because of the tımıng dıfferences between the treatment of certaın ıtems for taxatıon and accountıng purposes

Deferred tax ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date where transactıons or events have occurred at that date that wıll result ın an oblıgatıon to pay more, or a rıght to pay less or receıve more tax, wıth the followıng exceptıons

- Deferred tax assets are recognısed only to the extent that the dırector consıders ıt ıs more lıkely than not there wıll be suıtable taxable profits from whıch the future reversal of underlyıng tımıng dıfferences can be deducted
- Deferred tax ıs measured on an undıscounted basıs at the tax rates that are expected to apply ın the perıods ın whıch tımıng dıfferences reverse, based on tax rates and laws enacted or substantıvely enacted at the balance sheet date

Cash flow statement

The company ıs a wholly owned subsıdıary of Technıcolor S A and the cash flows of the company are ıncluded ın the consolıdated group cash flow statement of Technıcolor S A Consequently the company ıs exempt under the terms of Fınancıal Reportıng Standard No 1 from publıshıng a cash flow statement

Notes *(continued)*

1 Accounting policies *(continued)*

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 Technicolor S A and has taken advantage of the exemption from providing such information on group transactions

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Dividends on shares presented within shareholder's funds or deficit

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Defined contribution scheme

The Company participates in a group personal pension scheme Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years Provision is made for any losses as soon as they are foreseen

2 Analysis of turnover by destination

	Year ended 31 December 2011	Year ended 31 December 2010
	£'000	£'000
UK	**7,598**	7,434
	7,598	7,434

Notes *(continued)*

3 Operating expenses

Operating loss is stated after charging

	Year ended 31 December 2011	Year ended 31 December 2010
	£'000	£'000
Staff costs (note 5)	3,585	2,730
Depreciation charge	367	400
Auditors remuneration for audit	28	25
Fixed asset impairment write back	-	7,429

The auditors were not engaged for the provision of non audit services and did not receive any remuneration in either year

4 Directors' emoluments

The directors did not receive any remuneration from Technicolor Distribution Services UK Limited (2010 £nil)

5 Employee information

The average number of persons (including directors and full time equivalents) employed during the year was

	Year ended 31 December 2011	Year ended 31 December 2010
Management	1	1
Production and engineering	47	47
	48	48

The aggregate payroll costs of these persons were as follows

	2011 £000	2010 £000
Staff costs		
Wages and salaries	3,210	2,444
Social security costs	298	228
Other pension costs	77	58
	3,585	2,730

Notes *(continued)*

6 Interest receivables and similar income

	2011 £000	2010 £000
Interest income from group company in respect of finance lease receivable	**1,071**	1,204
	1,071	1,204

The aggregate rental received in the year in respect of finance lease receivable was £3,340,133 (2010 £3,323,500) The cost of assets for letting under finance leases is £26,331,338 (2010 £26,109,480)

7 Interest payable and similar charges

	2011 £000	2010 £000
Interest on loans from ultimate parent company	**2,014**	1,969
	2,014	1,969

8 Taxation

a) Analysis of tax for the year

	2011 £000	2010 £000
Corporation tax		
UK corporation tax (credit)/charge for the year	**(408)**	237
Adjustment in respect of previous periods	**(341)**	59
Total current tax (credit)/charge (note 8b)	**(749)**	296
Deferred tax asset		
Origination and reversal of timing differences	**68**	(2,812)
Adjustments in respect of previous years	**(138)**	95
Total deferred tax credited in the profit & loss account	**(70)**	(2,717)
Impairment decrease of deferred tax asset	**70**	2,717
Net deferred tax credit in the year (note 8d)	**-**	-
Tax (credit)/charge for the year	**(749)**	296

Notes *(continued)*

8 Taxation *(continued)*

b) Factors affecting the tax credit for the year

The tax credit assessed on the loss on ordinary activities for the year is higher *(2010 lower)* than the standard rate of corporation tax in the UK The differences are explained below

	2011	2010
	£000	£000
(Loss)/profit on ordinary activities before tax	**(1,912)**	6,673
Corporation tax (credit)/charge at the standard rate of 26 5% *(2010 28%)*	**(507)**	1,868
Effect of		
Depreciation in excess of capital allowances	**98**	(2,184)
Expenses not deductible for tax purposes	**1**	2
Adjustments in respect of previous years	**(341)**	59
Intra group interest disallowed	**-**	551
Total current tax (credit)/charge for the year (note 8a)	**(749)**	296

c) Factors affecting future tax

On 26 March 2012 Parliament substantively enacted a reduction in the main corporation tax rate to 24% from 1 April 2012 Because this change was not substantively enacted at the Balance Sheet date, this lower rate has not been reflected in these accounts Instead, deferred tax has been provided at the rate of 25% which had been previously enacted to apply from 1 April 2012

The Government has announced that it will continue to reduce the main corporation tax rates, to 23% from 1 April 2013 and to 22% from 1 April 2014 These rates have not yet been substantively enacted and are therefore not reflected in these accounts, but they would have a material impact on the deferred tax calculations If the rate was reduced to 24%, the impact would be £71,000, if reduced to 23%, the impact would be £143,000 and to 22%, the impact would be £214,000

Notes *(continued)*

8 Taxation *(continued)*

d) Provision for deferred tax

The amount of un-provided deferred tax is disclosed below

	2011 £000	2010 £000
Accelerated depreciation	**1,785**	**1,855**
Un provided deferred tax asset	**1,785**	**1,855**

Deferred tax provision not provided at 1 January 2011	**1,855**
Adjustment relating to prior period (Profit & loss account)	**(138)**
Originating and reversal of timing differences (Profit & loss account)	**68**
Deferred tax provision not provided at 31 December 2011	**1,785**
Impairment of deferred tax asset at 1 January 2011	**(1,855)**
Increase in impairment relating to prior year (Profit & loss account)	**138**
Decrease in impairment on timing differences (Profit & loss account)	**(68)**
Impairment of deferred tax asset at 31 December 2011	**(1,785)**
Total current tax credit for the year (Note 8a)	-

9 Intangible Assets

	Goodwill £000
Cost	
At 1 January 2011	2,635
Additions	-
At 31 December 2011	**2,635**
Amortisation	
At 1 January 2011	2,635
Impairment of goodwill	-
At 31 December 2011	**2,635**
Net book value	
At 31 December 2011	-
At 31 December 2010	-

Goodwill arises on the future losses of a contract

Notes *(continued)*

10 Tangible fixed assets

	Construction in progress	Plant and machinery	Total £000
Cost			
At 1 January 2011	-	11,108	11,108
Additions	1,424	302	1,726
Transfer of assets under finance lease to Technicolor Broadcast Services-UK Limited	(176)	(46)	(222)
At 31 December 2011	**1,248**	**11,364**	**12,612**
Depreciation			
At 1 January 2011	-	9,369	9,369
Charge for the year	-	367	367
Fixed asset impairment of assets leased to Technicolor Broadcast Services-UK Ltd	279	(22)	257
Impairment reclassification	(103)	103	-
Transfer of fixed asset impairment to Technicolor Broadcast Services-UK Ltd	(176)	(81)	(257)
At 31 December 2011	**-**	**9,736**	**9,736**
Net book value			
At 31 December 2011	**1,248**	**1,628**	**2,876**
At 31 December 2010	-	1,739	1,739

During the year the fully built assets valued at £46,000 and assets under construction valued at £176,000 were transferred to Technicolor Broadcast Services-UK Limited under a finance lease contract This amount is included in finance lease receivable (see note 11)

Additionally, impairments of £257,000 relating to assets transferred under finance lease contract were also transferred to Technicolor Broadcast Services-UK Limited

Notes *(continued)*

11 Debtors

	2011	2010
	£000	£000
Trade debtors	324	799
Amounts receivable from group companies	9,358	6,165
Corporation tax receivable – group relief	506	-
Prepayments and accrued income	25	-
Finance lease receivable	20,658	22,816
	30,871	29,780

12 Creditors: amounts falling due within one year

	2011	2010
	£000	£000
Trade creditors	212	251
Accruals and deferred income	399	999
Amounts payable to ultimate parent company	22,659	28,292
Amounts payable to group companies	21,646	11,587
VAT payable	476	361
Corporation tax payable	-	697
	45,392	42,187

13 Share capital

	2011	2010
	£000	£000
Allotted, called up and fully paid 1 ordinary share of £1 each	-	-
	-	-

Notes *(continued)*

14 Reconciliation of movements in shareholder's deficit

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2011	-	(10,482)	**(10,482)**
Profit for the year		(1,163)	**(1,163)**
At 31 December 2011	-	**(11,645)**	**(11,645)**

15 Related party transaction

As a subsidiary undertaking of Technicolor S A , the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Technicolor S A

16 Events subsequent to balance sheet date

On the 13 March 2012, Technicolor S A , the company's ultimate parent company, received a binding offer from Ericsson (NASDAQ ERIC) for the acquisition of its broadcasting services activities to which Technicolor Distribution Services UK Limited is part The transaction is expected to close around mid 2012 and is subject to the relevant customary regulatory administrative approvals and consultations In all other respects, there have been no other events since the Balance Sheet date that affect the understanding of these financial statements

17 Immediate and ultimate parent undertaking

The immediate parent company is Technicolor Holdings Limited The company's ultimate parent company and ultimate controlling party (in accordance with FRS8) at the balance sheet date is Technicolor S A , whose financial statements are publicly available, from 1, rue Jeanne d'Arc, 92443 Issy-les-Moulineaux, France The company is not consolidated within any other group