

AA DEVELOPMENT UK LIMITED
(FORMERLY NEWINCCO 687 LIMITED AND NEXT
PRODUCTIONS LIMITED)

DIRECTORS' REPORT AND ACCOUNTS

29 MARCH 2007 TO 31 MARCH 2008



Registered number: 06192914

AA DEVELOPMENT UK LIMITED (FORMERLY NEWINCCO 687 LIMITED AND NEXT PRODUCTIONS LIMITED)

DIRECTORS' REPORT

The directors present their first annual report and the audited accounts of the company for the period ended 31 March 2008.

Principal activity

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

Review of business and future developments

The company was incorporated on 29 March 2007 in the name of Newincco 687 Limited. On 16 April 2007, the name was changed to Next Productions Limited. On 23 April 2008, the name was changed again to AA Development UK Limited.

The company was incorporated as a film production company and the directors intend to use it for future productions.

Results and dividends

The results of the company are set out on page 4.

The company's income is derived from film production services fees, recognised on the delivery of the completed production. The directors do not recommend payment of a dividend.

Directors

The names of the directors who served during the year and up to the date of signing these financial statements are as follows:

Olswang Directors 1 Limited (appointed 29 March 2007, resigned 16 April 2007)

Olswang Directors 2 Limited (appointed 29 March 2007, resigned 16 April 2007)

A B Robertson (appointed 16 April 2007)

A G Castle (appointed 16 April 2007)

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing 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.

Statement of disclosure of information to independent auditors

Each of the persons who is a director at the date of approval of this report confirms that they are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

**AA DEVELOPMENT UK LIMITED (FORMERLY NEWINCCO 687 LIMITED AND
NEXT PRODUCTIONS LIMITED)**

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities in respect of the annual report and the financial statements (continued)

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

In so far as the directors are aware:

(a) there is no relevant audit information of which the company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent 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.

Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



A G Castle
Secretary

28 January 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AA DEVELOPMENT UK LIMITED

PricewaterhouseCoopers LLP
10 Bricket Road
St Albans AL1 3JX
Telephone +44 (0) 1727 844155
Facsimile +44 (0) 1727 845039

We have audited the financial statements of AA Development UK Limited for the period ended 31 March 2008 which comprise the Profit and Loss Account and 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

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). 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 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.

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 2008 and of its result for the period 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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

28 January 2009

**AA DEVELOPMENT UK LIMITED (FORMERLY NEWINCCO 687 LIMITED AND
NEXT PRODUCTIONS LIMITED)**

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2008

	Notes	Period ended 31 March 2008 £
Turnover	1	-
Operating profit		-
Profit on ordinary activities before taxation	2	-
Tax on profit on ordinary activities	3	-
Profit for the financial period	7,8	-

All activities of the company are continuing.

There is no difference between the result on ordinary activities before taxation and the result for the financial period stated above.

The company has no recognised gains or losses other than the result for the financial period and hence no separate statement of total recognised gains and losses has been presented.

The notes on pages 6 to 8 form an integral part of these accounts.

AA DEVELOPMENT UK LIMITED (FORMERLY NEWINCCO 687 LIMITED AND
NEXT PRODUCTIONS LIMITED)

BALANCE SHEET AS AT 31 MARCH 2008

	Notes	31 March 2008 £
Current assets		
Debtors	5	1
Net assets		1
Capital and reserves		
Share capital	6	1
Profit and loss account	7	-
Shareholder's funds	8	1

The notes on pages 6 to 8 form an integral part of these accounts.

The financial statements on pages 4 to 8 were approved by the board of directors on 28 January 2009 and were signed on its behalf by:



A B Robertson
Director

**AA DEVELOPMENT UK LIMITED (FORMERLY NEWINCCO 687 LIMITED AND
NEXT PRODUCTIONS LIMITED)**

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2008

1 ACCOUNTING POLICIES

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

Basis of accounting

The accounts are prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 1985.

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 it is a wholly owned subsidiary of J C Entertainment Inc, a company incorporated in the United States of America, and its ultimate parent company, Sony Corporation, a company incorporated in Japan, has prepared consolidated financial statements which are publicly available.

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

Turnover

The company's turnover is derived wholly from the provision of services for film production, including recharges, to fellow group companies, and is recognised on the delivery of completed films.

Foreign currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Trading results are translated at the rates ruling on the dates of the transactions. Foreign currency exchange differences are dealt with through the profit and loss account.

Deferred production costs

Production costs deferred represent amounts incurred by the company and recharged to fellow group companies. Such costs are deferred during the production and released on completion.

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.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's audit fees for the current period are borne by another group company.

**AA DEVELOPMENT UK LIMITED (FORMERLY NEWINCCO 687 LIMITED AND
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**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2008
(continued)**

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £
Current tax	
- UK corporation tax on profits for the period	-
Total current tax	-

Factors which may affect future tax charges:

A change to the standard rate of UK corporation tax has been enacted to reduce it from 30% to 28% with effect from 1 April 2008.

4 DIRECTORS' REMUNERATION AND STAFF COSTS

The directors received no emoluments in respect of their services to the company. There are no other employees of the company.

5 DEBTORS

	2008 £
Amounts due from group undertakings	1

6 SHARE CAPITAL

	2008 £
Authorised:	
1,000 ordinary shares of £1 each	1,000
Allotted, issued and called up:	
1 ordinary shares of £1 each	1

7 PROFIT AND LOSS ACCOUNT

	£
At 29 March 2007	-
Profit for the financial period	-
At 31 March 2008	-

**AA DEVELOPMENT UK LIMITED (FORMERLY NEWINCCO 687 LIMITED AND
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**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2008
(continued)**

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008
	£
Issue of ordinary share capital	1
Profit for the financial period	-
<hr/>	
Closing shareholder's funds	1

9 ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of its immediate parent undertaking, J C Entertainment Inc, a company incorporated in the United States of America.

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.