

Working Title Films Limited

Directors' report and financial statements

For the year ended 31 December 2008

Registered number 2755827

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Working Title Films Limited

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Working Title Films Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2008

Principal activities

The principal activity of the company is the development and production of films and television series. It is considered likely that the company's principal activity will remain unchanged in the foreseeable future.

Business review

The results for the company show a pre-tax loss of £698,000 (2007: £546,000) for the year and sales of £15,824,000 (2007: £17,173,000).

The company has net debt of £6,953,000 (2007: £9,916,000) of which £14,000 (2007: £1,318,000) is owed to fellow GE Group Companies and £5,936,000 is deferred income received from fellow GE Group Companies.

Research and development

We continue to invest in the development of film productions averaging making 3-4 films per year. The directors regard the investment in film development as integral to the continuing success of the business.

Future outlook

Working Title Films is the UK's leading film production company and has produced classic British films from *FOUR WEDDINGS AND A FUNERAL* to the award-winning *ATONEMENT*. Current films in production include *GREEN ZONE*, a sequel to *NANNY MCPHEE* called *NANNY MCPHEE* and the *BIG BANG* and *PAUL*. Due to the company's success rate in the box office the outlook for the company is strong in a competitive market. The new UK tax incentive is helping make cost effective films in the United Kingdom.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from UK and overseas Studios. Overhead and development expenditure is supported by other GE Group Companies. The extent to which Producer fees are received is dependent on the films in Production and the stage they are at.

Key Performance indicators (KPI's)

We have made significant progress in the year on the group's overriding objective and key elements of our strategy for growth.

Performance during the year, together with historical trend data is set out in the table below.

	2008	2007	Definition, method of calculation
(Fall)/growth in Sales (%)	(7.9%)	80.78%	Year on year sales growth expressed as a percentage
Gross Margin (%)	(4.63%)	(3.94%)	Gross margin is the ratio of operating profit before exceptional items and goodwill amortization to sales expressed as a percentage

Working Title Films Limited

Directors' report

Dividends

The directors do not recommend the payment of a dividend (2007 £nil)

Directors

The directors who held office during the year and up to the date of the directors' report were

T J Bevan
E N Fellner

Post balance sheet event

TJ Bevan and EN Fellner are also directors of WTTV Limited, a company incorporated on 14 May 2009

Provision of information to auditors

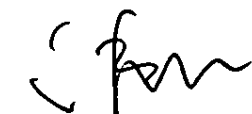
Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

Under section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on **15 March, 2010** and signed on its behalf



Director

Prospect House
80-110 New Oxford Street
London
WC1A 1HB

Working Title Films Limited

Statement of directors' responsibilities for the year ended 31 December 2008

The directors are responsible for preparing the annual 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 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. 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,
- 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 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.

Working Title Films Limited

Independent auditors' report to the members of Working Title Films Limited

We have audited the financial statements of Working Title Films Limited for the year ended 31 December 2008, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared in accordance with 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' 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).

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.

Working Title Films Limited

Independent auditors' report to the members of Working Title Films Limited

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 2008 and of its loss 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

KPMG LLP

Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Date **15 March, 2010**

Working Title Films Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	2	15,824	17 173
Administrative expenses		(16,557)	(17,850)
Operating loss	3	(733)	(677)
Interest receivable and similar income	7	35	131
Loss on ordinary activities before taxation		(698)	(546)
Tax on loss on ordinary activities	8	687	(9)
Loss on ordinary activities after taxation	16	(11)	(555)

All amounts relate to continuing operations

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account

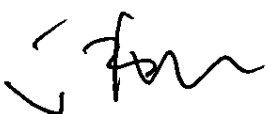
The notes on pages 9 to 23 form part of these financial statements

Working Title Films Limited
Registered number 2755827

Balance sheet
as at 31 December 2008

	Note	£000	2008 £000	£000	2007 £000
Fixed assets					
Tangible fixed assets	9		-		143
Fixed asset investments	10		1		1
			<u>1</u>		<u>144</u>
Current assets					
Stocks	11	-		5,324	
Debtors	12	3,397		3,164	
Cash at bank and in hand		6,374		3,870	
		<u>9,771</u>		<u>12,358</u>	
Creditors amounts falling due within one year	13	(10,350)		(13,080)	
Net current liabilities			(579)		(722)
Net liabilities			<u>(578)</u>		<u>(578)</u>
Capital and reserves					
Called up share capital	15		-		-
Other reserves	16		30		19
Profit and loss account	16		(608)		(597)
Shareholders' deficit	17		<u>(578)</u>		<u>(578)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **15 March 2010**


Director

The notes on pages 9 to 23 form part of these financial statements

Working Title Films Limited

Cash flow statement for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Net cash flow from operating activities	18	2,483	(2,694)
Returns on investments and servicing of finance	19	35	131
Capital expenditure and financial investment	19	(14)	(7)
Increase/(Decrease) in cash in the year		2,504	(2,570)

Reconciliation of net cash flow to movement in net funds/debt for the year ended 31 December 2008

		2008 £000	2007 £000
(Decrease)/increase in cash in the year	20	2,504	(2,570)
Movement in net debt in the year		2,504	(2,570)
Net funds at 1 January 2008		3,870	6,440
Net funds at 31 December 2008		6,374	3,870

The notes on pages 9 to 23 form part of these financial statements

Working Title Films Limited

Notes to the financial statements

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228A of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements have been prepared on a going concern basis as the company has received confirmation from NBC Universal International Limited, the immediate parent undertaking to the company, that it will continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for the period not less than one year from the date of approval of these financial statements.

1.2 Turnover

Turnover represents the invoiced value of film production services supplied during the year excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- 5 years
Office equipment	- 3 to 5 years

1.4 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.5 Leasing and hire purchase

Where assets are financed by leasing agreement that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged in the profit and loss account. The interest is charged in the profit and loss account. The capital element reduces the amounts payable to the lessor.

All other leases are treated as "operating leases". The annual rentals are charged in the profit and loss account over the lease term.

1.6 Stocks and work in progress

Work in progress is valued at the lower of cost and net realisable value.

Working Title Films Limited

Notes to the financial statements

1 Accounting policies (continued)

1.7 Taxation

Taxation for the year is based on the loss for the year

Full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.9 Pensions

The expected cost of the pension scheme is charged to the profit and loss account in order to apportion the cost of the pensions over the service lives of employees in the scheme. The effects of variations from regular costs are spread over the remaining working lifetime of the members of the scheme after making suitable allowances for future withdrawals

1.10 Film production and development costs

Development expenditure is capitalised as work in progress with 50% expensed to the profit and loss account immediately. Upon approval for a production to be undertaken, the amount previously expensed is reversed. When it is decided that a project is not to be pursued within the foreseeable future then the costs are provided in full

Amounts have been advanced to the company's subsidiary undertakings by financiers for the production of certain films. The right to distribute these films has been assigned in whole or in part to those financiers in order that they may recoup their advances from distribution income. Where the sums advanced are not repayable by the company or its subsidiary undertakings, film production expenditure and related advances are not shown in the financial statements of the company or its subsidiary undertakings

Working Title Films Limited

Notes to the financial statements

1 Accounting policies (continued)

1.11 Share based payments

Share options and restricted units over the shares of General Electric Company the ultimate parent entity are granted to certain employees and executives of the company. The fair value of options and units granted is recognised as an employee expense with a corresponding increase in equity, the 'equity compensation reserve'.

The fair value is measured at grant date using the Black-Scholes option pricing model, and is recognised as an expense over the period the employees become unconditionally entitled to the options/units. The amount recognised as an expense is adjusted to reflect the actual number of options/units expected to vest.

Any recharges by the ultimate parent entity are offset against the 'other reserve'.

In addition the company has established an employee share ownership scheme, under which employees are able to acquire a number of shares in the ultimate parent company, General Electric Company, with the company matching the employees' purchases. Such shares are purchased monthly in the market and held by the trustees until distribution to the employees in accordance with the rules of the scheme. The company's costs of these purchases are charged to the profit and loss account as incurred.

2 Turnover

A geographical analysis of turnover is as follows

	2008 £000	2007 £000
United Kingdom	1,220	493
Australia	269	100
USA	14,335	16,580
	15,824	17,173

3 Operating loss

The operating loss is stated after charging/(crediting)

	2008 £000	2007 £000
Depreciation of tangible fixed assets		
- owned by the company	122	39
Operating lease rentals		
- land and buildings	467	251
- other operating leases	344	427
Difference on foreign exchange	(1,631)	(291)
Provision for production development costs	9,803	11,376

Working Title Films Limited

Notes to the financial statements

4 Auditors' remuneration

	2008 £000	2007 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	37	50
Fees payable to the company's auditor and its associates in respect of The auditing of accounts of associates of the company pursuant to legislation	20	-

5 Staff costs

Staff costs, including directors' remuneration, were as follows

	2008 £000	2007 £000
Wages and salaries	4,138	3,825
Social security costs	546	456
Other pension costs	466	131
	<u>5,150</u>	<u>4,412</u>

The average monthly number of employees, including the directors, during the year was as follows

	2008 No	2007 No
Administration	<u>39</u>	<u>37</u>

6 Directors' remuneration

	2008 £000	2007 £000
Emoluments	<u>1,082</u>	<u>699</u>

During the year retirement benefits were accruing to 2 directors (2007 2) in respect of defined benefit pension schemes

The highest paid director received remuneration of £426,000 (2007 £328,000)

The total accrued pension provision of the highest paid director at 31 December 2008 amounted to £130,000 (2007 £43,000)

Working Title Films Limited

Notes to the financial statements

7 Interest receivable and similar income

	2008 £000	2007 £000
Bank interest receivable	35	131

8 Taxation

	2008 £000	2007 £000
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on loss for the year	-	-
Adjustments in respect of prior periods	(645)	-
Total current tax	(645)	-
Deferred tax		
Origination and reversal of timing differences	(43)	8
Adjustment in respect of prior years	(1)	-
Effect of decreased tax rate	2	1
Total deferred tax (see note 14)	(42)	9
Tax on loss on ordinary activities	(687)	9

Factors affecting current tax charge for the year

The current tax assessed for the year is lower than (2007 higher than) the standard rate of corporation tax in the UK 28.5% (2007 30%). The differences are explained below

	2008 £000	2007 £000
Loss on ordinary activities before tax	(698)	(546)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 30%)	(199)	(164)
Effects of		
Expenses not deductible for tax purposes	150	38
Depreciation in excess of capital allowances	32	(8)
Short term timing differences	11	-
Group relief not paid for	6	134
Adjustments to tax charge in respect of prior periods	(645)	-
Current tax (credit)/charge for the year (see note above)	(645)	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges

Working Title Films Limited

Notes to the financial statements

9 Tangible fixed assets

	Furniture and fittings £000	Office equipment £000	Total £000
Cost			
At 1 January 2008	230	67	297
Additions	-	14	14
Disposals	(230)	(81)	(311)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2008	107	47	154
Charge for the year	106	16	122
On disposals	(213)	(63)	(276)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2008	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2007	123	20	143
	<hr/>	<hr/>	<hr/>

10 Fixed asset investments

	Shares in group under- takings £000
Cost or valuation	
At 1 January 2008 and 31 December 2008	1
	<hr/>

Working Title Films Limited

Notes to the financial statements

10 Fixed asset investments (continued)

The company owned the entire ordinary share capital of the following entities registered in England and Wales

Subsidiary undertakings	Principal activity
OZ Films Limited	Film production
Town Square Films Limited	Film production
Speechless Features Limited	Film production
Washington Films (UK) Limited	Film production
Mashobra Films Limited (formerly Sixpence Films Limited)	Film production
Tallis Pictures Limited	Film production
Lacrosse Films Limited	Film production
Haricot Films Limited	Film production
UFO Films Limited (formerly Middle of Nowhere Productions Limited)	Film production
Frigate Films Limited	Film production
Compound Films Limited	Film production
Working Title Music Limited	Dormant
Working Title Theatre Productions Limited	Dormant
McPhee Farmyard Productions Limited (formerly It Is Now Films Limited)	Film production
Virginia Films Limited	Film production
WT Films Production Limited	Film production
Khumbu Films Limited	Film production
Interlagos Films Limited (formerly TFP Productions Limited)	Film production
WT2 Limited	Dormant

Working Title Films Limited

Notes to the financial statements

11 Stocks

	2008 £000	2007 £000
Work in progress	-	5,324

12 Debtors

	2008 £000	2007 £000
Trade debtors	309	232
Amounts owed by group undertakings	2,317	2,768
Other debtors	394	124
Prepayments and accrued income	319	24
Deferred tax asset (see note 14)	58	16
	<u>3,397</u>	<u>3,164</u>

Amounts owed by group undertakings are unsecured, interest-free and have no fixed repayment date

13 Creditors

Amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	379	1,130
Amounts owed to group undertakings	2,331	4,086
Corporation tax	224	868
Other creditors	216	-
Accruals and deferred income	7,200	6,996
	<u>10,350</u>	<u>13,080</u>

Amounts owed to group undertakings are unsecured, interest-free and have no fixed repayment date

14 Deferred tax asset

	2008 £000	2007 £000
At 1 January 2008	16	25
Charge/(credit) for the year	42	(9)
	<u>58</u>	<u>16</u>
At 31 December 2008		

Working Title Films Limited

Notes to the financial statements

14 Deferred tax asset (continued)

The deferred tax asset is made up as follows

	2008 £000	2007 £000
Differences between accumulated depreciation and capital allowances	47	16
Short term timing differences	11	-
	<u>58</u>	<u>16</u>

There were no amounts of unprovided deferred taxation at 31 December 2008 and 31 December 2007

15 Share capital

	2008 £000	2007 £000
Authorised		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>-</u>	<u>-</u>

16 Reserves

	Other reserves £000	Profit and loss account £000
At 1 January 2008	19	(597)
Loss for the year	-	(11)
Equity compensation expense recognised during the year	11	-
	<u>30</u>	<u>(608)</u>
At 31 December 2008		

17 Reconciliation of movement in shareholders' deficit

	2008 £000	2007 £000
Opening shareholders' deficit	(578)	(34)
Loss for the year	(11)	(555)
Employee share based equity reserve	11	11
	<u>(578)</u>	<u>(578)</u>
Closing shareholders' deficit		

Working Title Films Limited

Notes to the financial statements

18 Net cash flow from operations

	2008 £000	2007 £000
Operating loss	(733)	(677)
Depreciation of tangible fixed assets	122	39
Loss on disposal of tangible fixed assets	35	-
Decrease/(increase) in stocks	5,324	(1,311)
Increase in debtors	(190)	(133)
Decrease in creditors	(2,086)	(623)
Non cash changes on account of share based payments	11	11
Net cash inflow/(outflow) from operations	2,483	(2 694)

19 Analysis of cash flows for headings netted in cash flow statement

	2008 £000	2007 £000
Returns on investments and servicing of finance		
Interest received	35	131
	2008 £000	2007 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(14)	(9)
Sale of tangible fixed assets	-	2
Net cash outflow from capital expenditure	(14)	(7)

20 Analysis of changes in net funds

	1 January 2008 £000	Cash flow £000	Other non-cash changes £000	31 December 2008 £000
Cash at bank and in hand	3,870	2,504	-	6,374
Net funds	3,870	2,504	-	6,374

Working Title Films Limited

Notes to the financial statements

21 Pension commitments

The company is a member of the General Electric Retirement Savings Plan. The scheme is a multi-employer scheme designed to provide retirement benefits for the majority of the NBC Universal group's UK employees.

The scheme is a defined contribution scheme, is independent of the group and is trustee administered. The scheme operates on a pre-funded basis. The funding policy is to contribute such variable amounts as will achieve a 100% funding level on a projected salary basis.

A small number of employees of the company are also members of a funded defined benefit pension scheme providing benefits based on final pensionable pay. The scheme is part of a group scheme, the GE Pension Plan, covering a number of United Kingdom subsidiary companies of General Electric Company. Contributions are based on pension costs across the group. Accordingly, the company is unable to identify its share of the assets and liabilities of this scheme. The funding surplus/deficit in respect of this scheme is disclosed in the financial statements of IGE USA Investments. The last full actuarial valuation was carried out at 5 April 2006 by a qualified independent actuary. At this date there was a funding deficit of £100.4 million and a funding level of 80%.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives. The contributions are determined by a qualified actuary on the basis of triennial valuations, using the project unit method. Details of the most recent actuarial valuation are disclosed in the financial statements of IGE USA Investments.

The pension costs attributable to the company's employees in the United Kingdom for the year ended 31 December 2008 was £727,000 (2007: £173,000). Contributions amounting to £39,000 (2007: £nil) were payable to the scheme and are included in creditors.

22 Share based payments

Certain employees of the company are selected to participate in share options and restricted units of General Electric Company under the terms of the General Electric Company Long Term Incentive Plan. Share options expire 10 years from grant date and vest over service periods ranging from one to five years. The option price is usually set as the closing day share price on grant date. Restricted units give the participants the right to receive shares in General Electric Company for no consideration. Restricted units vest over various service periods beginning three years from grant date through to grantee retirement. All grants of GE options under all plans must be approved by the Management Development and Compensation Committee of General Electric Company, which consists entirely of outside directors.

The recognition and measurement principles in FRS 20 have not been applied to share options granted before 7 November 2002.

(a) Share options

The number and weighted average exercise price of share options is as follows:

	2008 Weighted average exercise price £	2008 Number of options No	2007 Weighted average exercise price £	2007 Number of options No
Outstanding at the beginning of the year	19.07	7,200	19.07	7,200

Working Title Films Limited

Notes to the financial statements

22 Share based payments (continued)

	2008 Weighted average exercise price £	2008 Number of options No	2007 Weighted average exercise price £	2007 Number of options No
Exercisable at the end of the year	19 07	2,880	19 07	1,440
	Minimum £	Maximum £	Minimum £	Maximum £
Range of exercise price for outstanding options	19 07	19 07	19 07	19 07
		Years		Years
Weighted average remaining contractual life of outstanding options in years		7 31		8 31

The expected volatility was based on historical volatility

The grants are subject to service conditions. Such conditions are not taken into account in the determination of the grant date fair value.

(b) Restricted units

The number of restricted units is as follows

	2008 Number	2007 Number
Outstanding at the beginning of the year	<u>1,600</u>	<u>1,600</u>
Exercisable at the end of the year	-	-
Weighted average remaining contractual life of outstanding restricted units	7 31 years	8 31 years

Fair value of restricted units

The fair value of restricted units is calculated as the closing day share price on grant date.

The grants are subject to service conditions. Such conditions are not taken into account in the determination of the grant date fair value.

Working Title Films Limited

Notes to the financial statements

22 Share based payments (continued)

(c) Expenses arising from share-based payment transactions

	2008 £000	2007 £000
Share options	6	6
Restricted units	5	5
	<u>11</u>	<u>11</u>

23 Operating lease commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2008 £000	2007 £000	2008 £000	2007 £000
Expiry date				
Within 1 year	167	-	-	13
Between 2 and 5 years	-	-	382	374
After more than 5 years	893	251	-	-
	<u>893</u>	<u>251</u>	<u>-</u>	<u>-</u>

24 Related party transactions

	Amount (credited)/ charged 2008 £000	Receivable/ (payable) at 31 December 2008 £000	Amount (credited)/ charged 2007 £000	Receivable/ (payable) at 31 December 2007 £000
Film production companies				
Productions cost/fees	(6,819)	(499)	(2,714)	719
Loans	-	(1)	-	(1)
Universal City Studios LLC				
Production costs and overheads	(15,038)	1,289	(17,642)	1,826
Working Title Group Inc				
Overhead costs	(2,084)	(335)	699	(2,959)
Producer Services Limited				
Overhead costs	-	(597)	-	(597)
GE Capital Europe Limited				
Staff salaries	-	-	-	(503)
Other				
Aggregate of immaterial balances owed to/from related parties	-	129	-	197

Working Title Films Limited

Notes to the financial statements

24 Related party transactions (continued)

Nature of relationship

Each of the following is a wholly-owned subsidiary of Working Title Films Limited. In addition TJ Bevan and EN Fellner are both directors of these companies.

Film production companies

McPhee Farmyard Productions Limited
Khumbu Films Limited
Compound Films Limited
Washington Films (UK) Limited
UFO Films Limited (formerly Middle of Nowhere Productions Limited)
Frigate Films Limited
Mashobra Films Limited (formerly Sixpence Films Limited)
Oz Films Limited
Interlagos Films Limited
Town Square Films Limited
Lacrosse Films Limited
Virginia Films Limited
Harcot Films Limited
Speechless Features Limited
Tallis Pictures Limited

Each of the following companies is a fellow subsidiary within the same group of companies as Working Title Films Limited.

Universal City Studios LLC
Working Title Group Inc
Producer Services Limited
GE Capital Europe Limited

Film production companies

Rubin Productions Inc
Smokin Aces LLC
Definitely Films LLC
Washington Films LLC

In addition TJ Bevan is a director of Universal TV Limited, Working Title Group Inc. EN Fellner is a director of Working Title Group Inc.

25 Contingent liabilities

The company has undertaken to act as guarantor for the indebtedness of certain other group undertakings to their bankers.

26 Post balance sheet event

TJ Bevan and EN Fellner are also directors of WTTV Limited, a company incorporated on 14 May 2009.

Working Title Films Limited

Notes to the financial statements

27 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is NBC Universal International Limited, a company registered in England and Wales

The smallest and largest group in which the results of the company are consolidated is that headed by the company's ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06828, USA or at www.ge.com