

VIRGINIA FILMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Company Registration Number 3387050

THURSDAY



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COMPANIES HOUSE

Tenon Limited
66 Chiltern Street
London
W1U 4JT

VIRGINIA FILMS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report to the members	4 to 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 to 13

VIRGINIA FILMS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2008

The board of directors	E N Fellner T J Bevan
Company secretary	A Mansfield
Registered office	Prospect House 80-110 New Oxford Street London WC1A 1HB
Auditor	Tenon Audit Limited 66 Chiltern Street London W1U 4JT
Accountants	Tenon Limited 66 Chiltern Street London W1U 4JT

VIRGINIA FILMS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2008

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

Principal activities and business review

The principal activity of the company is the production of the film entitled "Golden Age". The film was completed in the prior year, and no projects were secured during the current or prior year. The turnover decreased to £14,755 (2007 £3,101,681), pre tax losses decreased to £Nil (2007 £518,115), and at the year end the company had net assets of £100. There will be no tax credit claim this year since all core costs were incurred in the prior periods. Although directors have been unable to secure any future projects, they consider the company's activities as continuing.

Previously, the company's financial performance was monitored by comparing the actual costs of the production to budgeted costs. As the production was completed in the prior year, and no further projects have been secured during the current or prior year, the directors have not found it necessary to consider any additional key performance indicators.

The directors have assessed the principal risks and uncertainties facing the business as being the ability to secure future contracts, and they have continuously sought to secure additional contracts during the year. Working Title Films Limited, the parent entity of Virginia Films Limited, has provided sufficient assurances that it will continue to support the company and provide the necessary finances for its operations.

Results and dividends

The profit for the year amounted to £nil. The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

E N Fellner
T J Bevan

Auditor

Under section 487 of the Companies Act 2006, Tenon Audit Limited will be deemed to have been reappointed as auditor(s) 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Signed on behalf of the directors



T J Bevan

Director

Approved by the directors on 26th October 2009

VIRGINIA FILMS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 which 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, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

VIRGINIA FILMS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VIRGINIA FILMS LIMITED

YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Virginia Films Limited on pages 6 to 13 for the year ended 31 December 2008. 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 auditor

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 judgements 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.

VIRGINIA FILMS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VIRGINIA FILMS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2008

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 result 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.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
66 Chiltern Street
London
W1U 4JT

Date:- 29/10/09

VIRGINIA FILMS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Turnover	2	14,755	3,101,681
Cost of sales		(2,830)	(3,579,423)
Gross profit/(loss)		<u>11,925</u>	<u>(477,742)</u>
Administrative expenses		(11,925)	(40,373)
Loss on ordinary activities before taxation		<u>—</u>	<u>(518,115)</u>
Tax on loss on ordinary activities	5	—	518,115
Profit for the financial year		<u><u>—</u></u>	<u><u>—</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 13 form part of these financial statements.

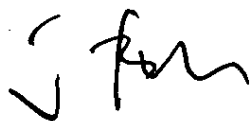
VIRGINIA FILMS LIMITED

Registered Number 3387050

BALANCE SHEET**31 DECEMBER 2008**

	Note	2008 £	£	2007 £	£
Current assets					
Debtors	6	780		1,326,220	
Cash at bank and in hand		31,693		244,984	
		<u>32,473</u>		<u>1,571,204</u>	
Creditors: Amounts falling due within one year	7	<u>(32,373)</u>		<u>(1,571,104)</u>	
Net current assets			<u>100</u>		<u>100</u>
Capital and reserves					
Called-up share capital	9		100		100
Shareholders' funds	10		<u>100</u>		<u>100</u>

These financial statements were approved by the directors and authorised for issue on 26th October 2009 and are signed on their behalf by:



T J Bevan

Director

The notes on pages 9 to 13 form part of these financial statements.

VIRGINIA FILMS LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2008

		2008		2007	
	Note	£	£	£	£
Net cash outflow from operating activities	11		(731,406)		(6,561,160)
Taxation			518,115		4,681,489
Decrease in cash	11		<u>(213,291)</u>		<u>(1,879,671)</u>

VIRGINIA FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

Turnover attributable to long-term contracts represents the value of work done in the year and is determined by reference to the stage of completion of the contract.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008	2007
	£	£
United Kingdom	<u>14,755</u>	<u>3,101,681</u>

3. Operating loss

Operating loss is stated after charging:

	2008	2007
	£	£
Directors' emoluments	—	—
Loss on disposal of fixed assets	—	134,534
Auditor's remuneration - audit of the financial statements	10,976	33,585
Auditor's remuneration - other fees	<u>1,965</u>	<u>33,415</u>

VIRGINIA FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Auditor's remuneration - audit of the financial statements	<u>10,976</u>	<u>33,585</u>
Auditor's remuneration - other fees:		
- Other services relating to taxation	1,016	16,058
- All other services	949	17,357
	<u>1,965</u>	<u>33,415</u>

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2008 £	2007 £
Audit fees in respect of 2007	7,976	8,000
Audit fees in respect of 2008	3,000	-
Accounts Preparation in respect of 2007	(1,497)	2,000
Accounts Preparation in respect of 2008	2,000	-
Taxation in respect of 2007	446	-
	<u>11,925</u>	<u>10,000</u>
Other tax advice 2007	<u>1,016</u>	<u>-</u>

The audit and taxation fees disclosed above include fees relating to the year ended 31st December 2007 which were under accrued in those years and which have not been previously disclosed as fees charged by the auditor. The accountancy fees disclosed above include fees relating to the period ended 31st December 2007. These were over-accrued in that period and have not been previously disclosed as fees charged by the auditor. These fees have been subsequently included in the cost of sales and administrative expenses of the company.

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2008 No	2007 No
Number of production staff	<u>-</u>	<u>2</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	-	90,563
Social security costs	-	10,353
	<u>-</u>	<u>100,916</u>

VIRGINIA FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

5. Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
UK Corporation tax	-	(518,115)

(b) Factors affecting current tax charge

	2008 £	2007 £
Loss on ordinary activities before taxation	-	(518,115)
Loss on ordinary activities by rate of tax	-	(155,435)
Effects of:		
Enhanced losses arising from the film tax credit	-	(621,738)
Difference between the rate of corporation tax and the rate of relief under the film tax credit	-	259,058
Total current tax (note 5(a))	-	(518,115)

6. Debtors

	2008 £	2007 £
Amounts owed by group undertakings	100	756,704
Corporation tax repayable	-	518,115
VAT recoverable	680	9,623
Other debtors	-	41,778
	<u>780</u>	<u>1,326,220</u>

7. Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	3,288	-
Amounts owed to group undertakings	6,810	82,796
Other creditors	17,275	28,579
Accruals and deferred income	5,000	1,459,729
	<u>32,373</u>	<u>1,571,104</u>

VIRGINIA FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

8. Related party transactions

During the year Virginia Films Limited was involved in the following related party transactions:

Universal City Studios LLLP

	£
Balance as at 1 January 2008	756,604
Production loan	(778,169)
Repayment of loan	14,755
	<hr/>
Balance owed to Universal City Studios LLLP as at 31 December 2008	<u>(6,810)</u>

Working Title Films Limited

	£
Balance as at 1 January 2008	(82,572)
Production cost/fees	(3,036)
Repayments	85,708
	<hr/>
Balance owed to Working Title Films Limited as at 31 December 2008	<u>100</u>

Description of relationship

Working Title Films Limited - Parent undertaking

Universal City Studios LLLP - Fellow group undertaking

In addition the company's directors, T J Bevan and E N Fellner, are also directors of Working Title Films Limited.

9. Share capital

Authorised share capital:

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

VIRGINIA FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

10. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	100	—	100
Balance carried forward	100	—	100

11. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	2008 £	2007 £
Operating loss	—	(518,115)
Decrease/(increase) in debtors	807,325	(578,420)
Decrease in creditors	(1,538,731)	(5,464,625)
Net cash outflow from operating activities	(731,406)	(6,561,160)

Reconciliation of net cash flow to movement in net funds

	2008 £	2007 £
Decrease in cash in the period	(213,291)	(1,879,671)
Movement in net funds in the period	(213,291)	(1,879,671)
Net funds at 1 January 2008	244,984	2,124,655
Net funds at 31 December 2008	31,693	244,984

Analysis of changes in net funds

	At 1 January 2008 £	Cash flows £	At 31 December 2008 £
Net cash:			
Cash in hand and at bank	244,984	(213,291)	31,693
Net funds	244,984	(213,291)	31,693

12. Ultimate controlling party

The company's immediate parent undertaking is Working Title Films 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 its 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.