

MIDDLE OF NOWHERE PRODUCTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007



Company Registration Number 4257944

Tenon Limited
66 Chiltern Street
London
W1U 4JT

MIDDLE OF NOWHERE PRODUCTIONS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

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MIDDLE OF NOWHERE PRODUCTIONS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2007

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

MIDDLE OF NOWHERE PRODUCTIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors present their report and the financial statements of the company for the year ended 31 December 2007

Principal activities and business review

The principal activity of the company during the year was that of motion picture and video production. No film was in production during the year ended 31 December 2007.

The company has received no income and incurred no expenditure on its own account and accordingly no profit and loss account or statement of recognised gains and losses have been prepared.

Results and dividends

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

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

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

T J Bevan
E N Fellner

Auditor

The auditors, Tenon Audit Limited, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 24 August 2001.

Signed on behalf of the directors



Print name *Tim Bevan*

Director

Approved by the directors on *3 July 2008*

MIDDLE OF NOWHERE PRODUCTIONS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2007

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 judgements and estimates that are reasonable and prudent
- state whether applicable 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 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.

MIDDLE OF NOWHERE PRODUCTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDDLE
OF NOWHERE PRODUCTIONS LIMITED
YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Middle Of Nowhere Productions Limited on pages 6 to 11 for the year ended 31 December 2007. 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 on page 3, 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.

MIDDLE OF NOWHERE PRODUCTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDDLE
OF NOWHERE PRODUCTIONS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2007

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 2007 and of its results 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 - *1 July 2008*

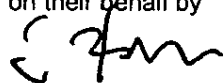
MIDDLE OF NOWHERE PRODUCTIONS LIMITED

BALANCE SHEET

31 DECEMBER 2007

	Note	2007 £	£	2006 £	£
Current assets					
Debtors	5	665		2,013	
Cash at bank		6,851		27,840	
		<u>7,516</u>		<u>29,853</u>	
Creditors: Amounts falling due within one year	6	<u>(7,515)</u>		<u>(29,852)</u>	
Net current assets			<u>1</u>		<u>1</u>
Capital and reserves					
Called-up share capital	8		1		1
Shareholders' funds	9		<u>1</u>		<u>1</u>

These financial statements were approved by the directors and authorised for issue on 3 July 2008 and are signed on their behalf by



Print name Tim Bevan

Director

The notes on pages 8 to 11 form part of these financial statements

MIDDLE OF NOWHERE PRODUCTIONS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2007

		2007		2006	
	Note	£	£	£	£
Net cash outflow from operating activities	10		(20,989)		(236,696)
Decrease in cash	10		<u>(20,989)</u>		<u>(236,696)</u>

The notes on pages 8 to 11 form part of these financial statements

MIDDLE OF NOWHERE PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. Accounting policies

Basis of accounting

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

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

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Film production and development costs

Amounts have been advanced to the company by certain financiers for the production, as a work for hire, of the film "Gone". Such advances are in consideration of the assignment to the financiers of all valuable rights. The sums advanced up to the final cost of production are not repayable by Middle of Nowhere Productions Limited. Accordingly, the film production expenditure and related advances are not shown in the financial statements of the company

Production expenditure

The company has assigned rights, risks and benefits of a film to certain financiers in order that they might recoup advances made to the company for the production of the film. The sums advanced up to the final cost of production are not repayable by the company. Consequently, advances and production expenditure are shown in the balance sheet as a net amount payable from group undertakings

2 Audit fees

Remuneration paid to the auditors of £2,000 (2006 £4,571) for their audit services and £1,000 (2006 £8,392) for all other non-audit services provided to the company was borne by a fellow group undertaking

MIDDLE OF NOWHERE PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

3 Profit and loss account

The company has received no income and incurred no expenditure on its own account as all risks and rewards and rights are assigned to its financiers and accordingly no profit and loss account or statement of total recognised gains and losses have been prepared

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2006 £nil)

5. Debtors

	2007	2006
	£	£
Amounts owed by group undertakings	639	1
Other debtors	26	2,012
	<u>665</u>	<u>2,013</u>

At 31 December 2007, total advances relating to production expenditure amounted to £3,339,071 (2006 £3,227,957) and total production expenditure incurred was £3,339,709 (2006 £3,207,038) This resulted in an amount due from group undertakings of £638 included in debtors (2006 £20,919 included in creditors)

6. Creditors: Amounts falling due within one year

	2007	2006
	£	£
Amounts owed to group undertakings	7,515	29,144
Other creditors	-	708
	<u>7,515</u>	<u>29,852</u>

MIDDLE OF NOWHERE PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

7. Related party transactions

	Amount (credited)/ charged 2007 £	Receivable/ (payable) at 31 December 2007 £	Amount (credited)/ charged 2006 £	Receivable/ (payable) at 31 December 2006 £
Working Title Films Limited				
Production Cost/Fees	224	(7,515)	504,007	(8,205)
Loans	–	1	–	1
Universal City Studios LLLP				
Production Costs	(125,156)	3,339,709	(1,137,769)	3,207,038
Production Advances	111,114	(3,339,071)	909,116	(3,227,957)
WT Film Productions Limited				
Production Costs	–	–	10,643	(20)

Description of relationship

Working Title Films Limited - Parent undertaking

Universal City Studios LLLP - Fellow group undertaking

WT Film Productions Limited - Fellow subsidiary undertaking

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

8. Share capital

Authorised share capital

	2007 £	2006 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
Balance brought forward	<u>1</u>	<u>–</u>	<u>1</u>
Balance carried forward	<u>1</u>	<u>–</u>	<u>1</u>

MIDDLE OF NOWHERE PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

10 Notes to the statement of cash flows

Reconciliation of operating profit to net cash outflow from operating activities

	2007 £	2006 £
Decrease in debtors	1,348	101,779
Decrease in creditors	(22,337)	(338,475)
Net cash outflow from operating activities	<u>(20,989)</u>	<u>(236,696)</u>

Reconciliation of net cash flow to movement in net funds

	2007 £	2006 £
Decrease in cash in the period	(20,989)	(236,696)
Movement in net funds in the period	<u>(20,989)</u>	<u>(236,696)</u>

Net funds at 1 January 2007	<u>27,840</u>	<u>264,536</u>
Net funds at 31 December 2007	<u>6,851</u>	<u>27,840</u>

Analysis of changes in net funds

	At 1 January 2007 £	Cash flows £	At 31 December 2007 £
Net cash			
Cash in hand and at bank	27,840	(20,989)	6,851
Net funds	<u>27,840</u>	<u>(20,989)</u>	<u>6,851</u>

11. Ultimate parent undertaking and 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 www.ge.com