The Moving Picture Company Limited

Registered No. 01191228

Annual Report and Financial Statements

For the year ended 31 December 2013

Contents

Company Information

Registered Number

1191228

Directors

A W Camilleri
M W Benson
C Parke

Company Secretary

C Parke

Auditor

Deloitte LLP, Chartered Accountant and Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Registered Office

Building 1, 3rd Floor Chiswick Park
566 Chiswick High Road
London
W4 5BY

Strategic report

Introduction and strategy

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

The principal activity of the company is the provision of digital visual effects for the television and film industries. Services also include colour grading, film and tape duplication and the provision of broadcast videotape facilities.

The directors consider the company's trading result and financial position to be satisfactory. The directors do not foresee that there will be any change in the company's activities for the foreseeable future and as such the company has adopted the going concern basis for its financial statements, see note 2 for further information.

Operating and business review

The Moving Picture Company Limited is one of the largest visual effects studios in the world.

Implicit in this is the production of creative output to the highest calibre, of a class that not just follows world standards, but which drives expectations and sets new global benchmarks.

The results for the Company show a pre-tax profit of £4,951,000 (2012: £7,693,000) and revenues of £67,158,000 (2012: £66,000,000). Revenues have increased 2% on prior year. The Company recognises performance is contingent upon maintaining good rapport with clients. To this end the Company is committed to developing and building strong, long-term client relationships and producing creative output of the highest calibre.

Gross profit increased by 2%, while the gross profit margin decreased to 32.1% (2012: 32.2%).

Operating profit margin decreased from 8.8% to 6.8%.

The current ratio of assets to liabilities increased from 129% to 154% in the year.

We regularly review revenue, cost of sales, administrative expenses and operating profits as these are good indicators of relative business performance. Cost of sales primarily comprises salaries, the cost of freelance contractors, third party costs and depreciation of plant and machinery. Administrative expenses mainly comprise administrative salaries, occupancy costs and other overheads.

Principal 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 media industry so as to meet changing client needs.

Our employees are our most important asset: staff retention and recruitment is crucial to our continued success. The Company remains focused on providing a stimulating and safe environment for all its employees and offering both competitive remuneration and a rewarding career path in order to safeguard this asset.

As the visual effects industry is a relatively small global industry, the Company is affected by international issues including foreign currency fluctuations and tax legislation changes. Remaining up to date with such changes is imperative. While competition remains high, projects need to be closely assessed against constrained margins.

Critically, creative output must remain of the highest standard.

Strategic report (continued)

Creditor payment policy

It is Company policy that payments to all suppliers are made in accordance with the agreed terms, provided that the supplier is also complying with all relevant terms and conditions. Trade creditor days of the Company for the year ended 31 December 2013 were two days (2012: five days), based on the ratio of Company trade creditors at the year end to the amount invoiced during the year by trade creditors.

Employee involvement and disabled persons

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 affect their interests and that all employees are aware of the performance of the Company.

Directors' Report

The directors present their annual report and the audited financial statements of The Moving Picture Company Limited (the 'Company') for the year ended 31 December 2013.

Dividends and Results

An interim dividend of £nil (2012: £31,617,000) was paid during the year.

The results of the company are stated on page 9.

Principal risks and uncertainties are discussed in the strategic report on page 3.

Donations

The donations made by the Company during the year for charitable purposes were £450 (2012: £450).

Political donations made by the Company during the year were £nil (2012: £nil).

Directors

The directors of the Company who served during the year and to the date of this report were as follows:

A W Camilleri
M W Benson
C Parke

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor for the year ended 31 December 2013 was Deloitte LLP.

By order of the Board

A W Camilleri

Director **26 September 2014**

Building 1, 3rd Floor Chiswick Park
566 Chiswick High Road
London
W4 5BY

Directors' Responsibilities statement in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are 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 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 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of The Moving Picture Company Limited

We have audited the financial statements of The Moving Picture Company Limited ("the Company") for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 20, on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, 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 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 explained more fully in the Directors' Responsibilities Statement, the directors are 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 Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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.

Opinion on matters prescribed by the Companies Act 2006

In our opinion the information in the Directors' 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.

Robert Matthews

ROBERT MATTHEWS (SENIOR STATUTORY AUDITOR)

for and on behalf of Deloitte LLP, Chartered Accountant and Statutory Auditor

New Street Square
London EC4A 3BZ
United Kingdom

26 September 2014

Profit and loss account

for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover		67,304	66,000
Cost of sales		(45,719)	(44,775)
Gross profit		21,585	21,225
Administrative expenses		(11,905)	(11,180)
Other operating expenses		(5,109)	(4,257)
Operating profit	2	4,571	5,788
Interest receivable and similar income	3	380	1,905
Profit on ordinary activities before taxation		4,951	7,693
Tax on profit on ordinary activities	6	(1,772)	(470)
Profit for the financial year	16	3,179	7,223

The notes on pages 11 to 23 form part of these financial statements.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and the historical cost equivalents.

The results above are all derived from continuing operations.

The Company has no recognised gains or losses other than the profit for this and the previous financial year. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

Balance Sheet

As at 31 December 2013

	Note		2013 £000		2012 £000
Fixed Assets					
Tangible assets	7		3,250		5,183
Investments	8		-		-
			3,250		5,183
Current assets					
Debtors	9	29,174		17,102	
Cash at bank and in hand		8		3,930	
		29,182		21,032	
Creditors: amounts falling due within one year	10	(19,354)		(16,322)	
Net current assets			9,828		4,710
Total assets less current liabilities			13,078		9,893
Creditors: amounts falling due after more than one year	11		(912)		(906)
Provisions for liabilities and charges	12		(100)		(100)
Net assets			**12,066**		**8,887**
Capital and reserves					
Called up share capital	15		-		-
Profit and loss account	16		12,066		8,887
Equity shareholders' funds	17		**12,066**		**8,887**

The notes on pages 11 to 23 form part of these financial statements.

The financial statements of The Moving Picture Company Limited (registered number 01191228) were approved by the board of directors on 2[illegible] September 2014 and were signed on its behalf by:

A W Camilleri
Director

Notes to the financial statements

For the year ending 31 December 2013

1. Accounting policies

The financial statements are prepared on a going concern basis and under the historical cost convention in accordance with applicable accounting standards in the United Kingdom. The financial statements have been prepared on a consistent basis with prior accounting periods.

Basis of preparation

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements, as it is a wholly-owned subsidiary of Technicolor S.A., a company incorporated in France, and is included in the consolidated financial statements of the Technicolor S.A. group ("the Group"). Therefore, these financial statements present information about the Company as an individual undertaking and not about its Group.

The Company has net current assets of £9,828,007 as at 31 December 2013 and made a profit for the financial year then ended of £3,179,000.

The Company currently meets its day-to-day working capital requirements from intercompany loans and balances with fellow group companies of the group headed by Technicolor S.A. which are repayable on demand.

The directors have prepared cash flow forecasts for the next 12 months which show that the Company will continue to be reliant on the Group to support its working capital needs. These forecasts include key assumptions specifically over the Company's future trading activity and acknowledge that variations in the trading assumptions would impact the timing and quantum of cash flows.

On the basis of these forecasts Technicolor S.A. has confirmed to the directors its intention to keep providing the necessary support for at least the next 12 months from the date of approval of these financial statements to enable the Company to continue to settle its liabilities as they fall due.

The Board of Directors of Technicolor S.A. has also considered the Group's cash flow projections and believes that the Group's current cash will be sufficient to meet the expected cash requirements of the Group and address potential financial consequences of ongoing litigation, for 12 months from the signing of the Company financial statements.

The Company's directors believe it is unlikely that Technicolor S.A. would not be able to provide the support offered. Accordingly, the directors consider that the forecasts and indication of support from Technicolor S.A. should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment and have prepared the financial statements on a going concern basis. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Related Party Transactions

As the Company is a wholly-owned subsidiary of Technicolor S.A., the Company has taken advantage of the exemption under Financial Reporting Standard (FRS) No 8 *"Related Party Disclosures"* from the requirement to disclose transactions with related parties which are part of the same group or investees of that group. The consolidated financial statements of Technicolor S.A. within which this Company is included, can be obtained from the address given in note 20.

There are no transactions between the Company and any related parties which otherwise would require disclosure under FRS No. 8 *"Related Party Disclosures"*.

Notes to the financial statements (continued)

For the year ending 31 December 2013

1. Accounting Policies (continued)

Statement of cash flows

The Company is a wholly-owned subsidiary of Technicolor S.A. and the statement of cash flows of the Company is included in the consolidated statement cash flow of Technicolor S.A. Consequently the Company is exempt under the terms of FRS No.1 (Revised),"*Cash Flow Statement*", from publishing a statement of cash flows.

Turnover

Turnover is measured at fair value being contract price net of discounts and value-added tax and is recognised at the following points:

(i) Where facilities are being provided, turnover represents the value of the service which has been delivered.

(ii) Where a production contract exists, turnover is recognised when contracts are completed during the year. Completion is defined as when all post production work is finished.

(iii) Where a long-term contract exists, turnover represents the value of contracts work done based on a cost completion method.

The whole of the turnover is attributable to operating as a provider of digital visual effects for the television and film industries mainly arising in the United Kingdom. The directors consider that this is the only material business activity and that the other geographic segments where the Company operates are not substantially different; consequently, no detailed segmental analysis has been prepared.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated on a straight-line basis so as to write off the book value of fixed assets over their economic useful lives. The main annual rates adopted are as follows:

Leasehold improvements	– 10%-20%
Post-production equipment	– 20%-33%
Fixtures and fittings	– 20%-33%

Depreciation policies are reviewed on a regular basis.

An impairment review of asset carrying values is performed each year.

Work in progress

Work in progress on productions for third parties is valued at the lower of cost and net realisable value. No value is attributed to work in progress unless there is a contract committing a customer to purchase the production. Cost comprises direct costs of production. Net realisable value is the estimated selling price less all further costs to completion. Payments in advance are set off against work in progress in the balance sheet, and any amount in excess of the value of work in progress is included in current liabilities.

Notes to the financial statements (continued)

For the year ending 31 December 2013

1. Accounting Policies (continued)

Stocks

Inventory held by the Company is of a consumable nature. They are commercial recording tapes used for duplication and film transfer and valued at the lower of costs and net realisable value.

Long-term contracts

Turnover on long-term contracts is recognised according to the stage reached in the contract with reference to the proportion of total costs incurred. A provision is made for any losses as soon as they are foreseen. The amount by which turnover exceeds invoiced work is shown under debtors as accrued income. The amount by which invoiced work exceeds turnover is shown under creditors as deferred income. The costs on long-term contracts are taken to the profit and loss account as they are incurred.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Dilapidation provision

The Company has operating leases over its offices that require the assets to be returned to the lessor in their original condition. The operating lease payments do not include an element for the repairs/overhauls. A dilapidation provision is recognised at the time it is determined that it is probable that such costs will be incurred in a future period, measured at the expected cost of returning the asset to the lessor in its original condition. The Company is expected to incur the liability within the next four years. An offsetting asset of the same value is also recognised and is classified in tangible fixed assets. This asset is depreciated to the profit and loss account over the term of the lease.

Pensions

Contributions in respect of defined contribution pension schemes and multi-employer defined benefit schemes where the employer's contributions are set in relation to the current service period only are charged to the profit and loss account as they fall due.

Leases

Operating lease rentals are charged to the profit and loss account in equal amounts over the lease term.

Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account in the year in which they arise.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items to taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19, *'Deferred Tax'*.

Notes to the financial statements (continued)

For the year ending 31 December 2013

2. Operating profit

Operating profit is stated after charging:

	2013	*2012*
	£000	*£000*
Depreciation charge	2,609	3,087
Operating lease rentals – plant and machinery	574	590
– other	2,355	2,360

Remuneration of the Company's auditor for provision of audit services to the Company was £54,749 (2012: £67,000) and for non-audit services was £nil (2012: £nil) during the year.

3. Interest receivable and similar income

	2013	*2012*
	£000	*£000*
Interest receivable	-	-
Interest receivable from group undertakings	352	1,804
Foreign exchange gain	24	66
Forward points on hedge	4	20
Disposal of fixed assets	-	15
	380	1,905

Notes to the financial statements (continued)

For the year ending 31 December 2013

4. Directors' emoluments

The remuneration of the directors of the Company was:

	2013	2012
	£000	£000
Directors' emoluments	621	672
Contributions towards defined contribution scheme	37	39
Other emoluments (including benefits in kind)	3	3
	661	714

Highest paid director:

	2013	2012
	£000	£000
Total emoluments	415	437
Contributions towards defined contribution scheme	23	25
	438	462

Retirement benefits are accruing to two directors (2012: two directors) under a defined contribution scheme.

5. Staff costs (including executive directors and short-term contractors)

(a) Staff costs:

	2013	2012
	£000	£000
Wages and salaries	33,950	33,736
Social security costs	3,731	3,948
Pension costs (note 14)	877	851
	38,558	38,535

Notes to the financial statements (continued)

For the year ending 31 December 2013

5. Staff costs (including executive directors and short-term contractors) (continued)

(b) The average number of persons (including executive directors and short-term contractors) employed during the year, analysed by category was as follows:

	2013	*2012*
Production	648	686
Selling	5	5
Administration	20	20
Directors	2	2
	675	713

6. Tax on profit on ordinary activities

(a) Analysis of tax charge for the year:

	2013 *£000*	*2012* *£000*
UK corporation tax on profit for the year	(699)	(874)
Adjustments in respect of previous periods	(921)	927
Total current tax charge (note 6b)	(1,621)	53
Deferred taxation		
Originating and reversal of timing differences	(318)	(317)
Adjustments relating to previous years (note 13)	167	(206)
Release of deferred tax impairment (note 13)	-	-
Total deferred tax benefit	(151)	(523)
Tax on profit on ordinary activities	(1,772)	470

Notes to the financial statements (continued)

For the year ending 31 December 2013

6. Tax on profit on ordinary activities (continued)

(b) Factors affecting tax for the year

The tax assessed on the profit on ordinary activities is lower (2012: lower) than the standard rate of corporation tax in the UK of 24.5% (2012: 24.5%). The differences are explained below:

	2013 *£000*	*2012* *£000*
Profit on ordinary activities before taxation	4,951	7,693
Current tax at 23.25% (2012: 24.5%)	1,151	1,885
Effect of:		
Disallowed expenses and non-taxable income	(83)	194
Depreciation in excess of capital allowances	(381)	(156)
Timing differences	12	(174)
Adjustment relating to previous years	922	(928)
Research and development	-	-
Group relief from TNS/TBS/TDS not paid for in 2013	-	(874)
Current tax charge for the year (note 6a)	1,621	(53)

The deferred tax asset as at 31 December 2013 has been recognised in full (at 31 December 2012 – recognised in full) on the basis that profit forecasts for the company, and the UK group as a whole, indicate that the deferred tax asset will be realised in the foreseeable future.

Reductions in the rate of Corporation Tax from 23% to 21% (effective from 1 April 2014) and from 21% to 20% (effective from 1 April 2014) were substantively enacted on 2 July 2013.

The 20% rate has been used to calculate all deferred tax balances at 31 December 2013 as the difference resulting from this simplification is not considered material.

Notes to the financial statements (continued)

For the year ending 31 December 2013

7. Tangible fixed assets

	Improvements to short-term leasehold properties £000	*Post-production equipment £000*	*Fixtures Fixtures and fittings £000*	*Total £000*
Cost:				
At 1 January 2013	6,529	37,222	2,137	45,888
Additions	1	673	2	676
Impaired	(4,349)	(7,045)	(1,355)	(12,749)
Reclassification	277	(14,150)	(150)	(14,023)
At 31 December 2013	2,458	16,700	634	19,792
Depreciation:				
At 1 January 2013	5,437	33,378	1,890	40,705
Charge for year	519	2,009	81	2,609
Impaired	(4,349)	(7,045)	(1,355)	(12,749)
Reclassification	(2)	(13,914)	(107)	(14,023)
At 31 December 2013	1,605	14,428	509	16,542
Net book value:				
At 31 December 2013	853	2,272	125	3,250
Net book value:				
At 31 December 2012	1,092	3,844	247	5,183

8. Fixed asset investments

The only interests in group undertakings held directly by the Company are:

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares and voting rights held	Principal activity
Light Parade Limited	England & Wales	Ordinary £1	100%	Dormant
Blonde Films Limited	England & Wales	Ordinary £1	100%	Dormant

Notes to the financial statements (continued)

For the year ending 31 December 2013

9. Debtors

	2013 £000	2012 £000
Trade debtors	8,869	5,270
Amounts owed by group undertakings	12,673	3,520
Deferred tax (note 13)	3,192	3,343
Prepayments and accrued income	4,440	4,518
Work In Progress	-	451
	29,174	17,102

10. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	46	143
Bank overdrafts and loans	221	-
Amounts owed to group undertakings	5,177	4,154
Other creditors	115	123
Other taxation and social security	3,876	3,262
Accruals and deferred income	9,919	8,640
	19,354	16,322

The Company, together with certain other group companies, has entered into a cash pooling arrangement with Barclays Bank PLC. Funds are held with a central treasury account where Barclays Bank PLC has the right to apply positive cash balances of the Company against indebtedness or liabilities of other companies named in the agreement. Treasury funds are reported as an intercompany debtor/creditor in the financial statements. This facility is guaranteed by Technicolor S.A.

Notes to the financial statements (continued)

For the year ending 31 December 2013

11. Creditors: amounts falling due after more than one year

	2013 *£000*	*2012* *£000*
Other creditors	912	906

12. Provisions for liabilities and charges

	Other Provisions *£000*	*Total* *£000*
At 1 January and 31 December 2013	100	100

Other provisions include amounts in respect of dilapidation provisions on existing UK properties, which will unwind over the remaining lease terms (see note 1).

13. Deferred taxation

Movement in deferred tax:

	Deferred tax asset *2013* *£000*	*Deferred tax asset* *2012* *£000*
At 1 January	3,343	3,866
Originating and reversal of timing differences	176	(317)
Adjustments relating to previous years	(327)	(206)
At 31 December	3,192	3,343

Notes to the financial statements (continued)

For the year ending 31 December 2013

13. Deferred taxation (continued)

Deferred tax asset comprises:

	2013 £000	2012 £000
Differences between accumulated depreciation and amortisation and capital allowances	3,122	3,263
Other timing differences	70	80
Deferred tax impairment	-	-
Total deferred tax asset (note 9)	3,192	3,343

14. Pension and similar obligations

The Company offers eligible employees membership of the Technicolor Group stakeholder defined contribution pension scheme. The total cost of this scheme to the Company in the year ended was £863,788 (2012: £836,970).

In addition, one current employee is a member of a defined contributions pension schemes. The total cost of this scheme to the Company for the year ended was £13,391 (2012: one employee, £13,703).

As a member of a multi-employer defined benefit scheme, where the employers contributions are set in relation to the current service period only, the pension scheme has been accounted for as a defined contribution scheme in accordance with paragraph 9a of FRS 17, *'Retirement Benefits'*.

The total amount of all employer contributions owing at 31 December 2013 was £70,798 (2012: £71,207).

15. Called-up Share capital

	2013 £000	2012 £000
Allotted, called- up and fully paid		
200 ordinary shares of £1 each	–	–

Notes to the financial statements (continued)

For the year ending 31 December 2013

16. Reserves

	Profit and loss account
	£000
At 1 January 2013	8,887
Profit for the year	3,179
At 31 December 2013	12,066

17. Reconciliation of movements in shareholders' funds

	2013	*2012*
	£000	*£000*
Profit for the financial year	3,179	7,223
Dividends paid	-	(31,617)
Net increase/(decrease) in shareholders' funds	3,179	(24,394)
Opening shareholders' funds	8,887	33,281
Closing shareholders' funds	12,066	8,887

18. Financial commitments

As at 31 December 2013, the Company was committed to payments during the next year under non-cancellable operating leases, expiring as set out below:

	2013 Land and buildings	*2013 Plant and machinery*	*2012 Land and buildings*	*2012 Plant and machinery*
	£000	*£000*	*£000*	*£000*
Expiring within:				
Within one year	414	218	-	129
Between two and five years	2,694	-	2,178	304
	3,108	218	2,178	433

Notes to the financial statements (continued)

For the year ending 31 December 2013

19. Capital commitments

As at 31 December 2013 there were capital commitments of £nil (2012: £nil).

20. Ultimate parent undertaking

The immediate parent undertaking is Technicolor Holdings Limited, a company incorporated in England and Wales.

The Company's ultimate controlling and parent undertaking at the balance sheet date is Technicolor S.A., a Company incorporated in France. This is the holding company in which the results of the company are consolidated, and these consolidated financial statements are available from Technicolor S.A., 1, rue Jeanne d'Arc, 92443 Issy-les-Moulineaux Cedex, France.