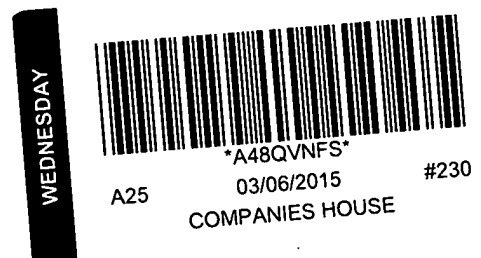


Registered number: 01191228

THE MOVING PICTURE COMPANY LIMITED  
ANNUAL REPORT AND FINANCIAL  
STATEMENTS  
31 DECEMBER 2014



# **THE MOVING PICTURE COMPANY LIMITED**

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# **THE MOVING PICTURE COMPANY LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	M W Benson A W Camilleri C Parke
<b>Company secretary</b>	C Parke
<b>Registered number</b>	01191228
<b>Registered office</b>	16 Great Queen Street Covent Garden London WC2B 5AH United Kingdom
<b>Independent auditor</b>	Deloitte LLP, Chartered Accountant and Statutory Auditor 2 New Street Square London EC4A 3BZ United Kingdom

# **THE MOVING PICTURE COMPANY LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **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 post production and digital visual effects services for the advertising, television and film industries.

The directors consider the company's trading results 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 1 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 standard, but which drives expectations and sets new global benchmarks.

The results of the company show a pre-tax profit of £14,001,000 (2013: £4,951,000) and revenues of £90,582,000 (2013: £67,304,000). Revenues have increased by 35% 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 49%, whilst the gross profit margin increased to 35.4% (2013: 32.1%)

Operating profit margin increased from 6.8% to 15%.

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 relative 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.

# **THE MOVING PICTURE COMPANY LIMITED**


## **STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **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 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 reviews are taken into account when decisions are made that are likely to effect their interests and that all employees are aware of the performance of the company.

  
This report was approved by the board and signed on its behalf.

**A W Camilleri**  
**Director**

Date: 28 May 2015

# THE MOVING PICTURE COMPANY LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

---

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

### Results

The profit for the year, after taxation, amounted to £11,566,000 (2013: £3,179,000). No dividends were paid during the year (2013: Nil).

### Directors

The directors who served during the year were:

M W Benson  
A W Camilleri  
C Parke

### Matters covered in the Strategic report

As permitted by S414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

### Disclosure of information to auditor

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 auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A W Camilleri  
Director

Date: 28 May 2015

# **THE MOVING PICTURE COMPANY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

---

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). 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 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 accounting 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 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 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.

**THE MOVING PICTURE COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MOVING**  
**PICTURE COMPANY LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

We have audited the financial statements of The Moving Picture Company Limited for the year ended 31 December 2014, which includes the profit and loss account, the balance sheet and related notes 1 to 20, set out on pages 8 to 20. 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 the 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report 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 2014 and of its profit 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 other matter prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**THE MOVING PICTURE COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MOVING**  
**PICTURE COMPANY LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**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.



Paul Fletcher FCA

Senior statutory auditor

**For and on behalf of Deloitte LLP, Chartered Accountant and Statutory Auditor**

London

United Kingdom

Date: 28 May 2015

# THE MOVING PICTURE COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
<b>Turnover</b>	1	<b>90,582</b>	67,304
Cost of sales		(58,497)	(45,719)
<b>Gross profit</b>		<b>32,085</b>	21,585
Administrative expenses		(14,716)	(11,905)
Other operating expenses		(3,828)	(5,109)
<b>Operating profit</b>	2	<b>13,541</b>	4,571
Interest receivable and similar income	5	460	380
<b>Profit on ordinary activities before taxation</b>		<b>14,001</b>	4,951
Tax on profit on ordinary activities	6	(2,435)	(1,772)
<b>Profit for the financial year</b>	15	<b>11,566</b>	3,179

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

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

The notes on pages 10 to 20 form part of these financial statements.

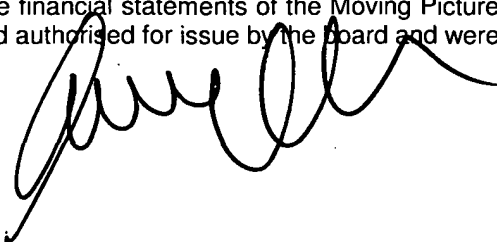
# THE MOVING PICTURE COMPANY LIMITED

REGISTERED NUMBER: 01191228

## BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	£000	2013 £000
<b>Fixed assets</b>					
Tangible assets	7		5,944		3,250
Investments	8		-		-
			<u>5,944</u>		<u>3,250</u>
<b>Current assets</b>					
Debtors	9	42,922		29,174	
Cash in hand		91		8	
		<u>43,013</u>		<u>29,182</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(24,310)</u>		<u>(19,354)</u>	
<b>Net current assets</b>			<u>18,703</u>		<u>9,828</u>
<b>Total assets less current liabilities</b>			<u>24,647</u>		<u>13,078</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(915)		(912)
<b>Provisions for liabilities</b>					
Other provisions	13		<u>(100)</u>		<u>(100)</u>
<b>Net assets</b>			<u><u>23,632</u></u>		<u><u>12,066</u></u>
<b>Capital and reserves</b>					
Called-up share capital	14		-		-
Profit and loss account	15		<u>23,632</u>		<u>12,066</u>
<b>Shareholder's funds</b>	16		<u><u>23,632</u></u>		<u><u>12,066</u></u>

The financial statements of the Moving Picture Company Limited (registered number 01191228) were approved and authorised for issue by the board and were signed on its behalf by:



**A W Camilleri**  
Director

Date: 28 May 2015

The notes on pages 10 to 20 form part of these financial statements.

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

---

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis and under the historic 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.

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 £23,632,000 as at 31 December 2014 and made a profit for the financial year then ended of £11,566,000.

The Company currently meets its day-to-day working capital requirements from operating profit, 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.

#### 1.2 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.

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

---

#### 1. Accounting policies (continued)

##### 1.3 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.
- (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.

##### 1.4 Tangible fixed assets and depreciation

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

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

##### 1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.6 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.

##### 1.7 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 cost and net realisable value.

# **THE MOVING PICTURE COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2014**

---

#### **1. Accounting policies (continued)**

##### **1.8 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.

##### **1.9 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.

##### **1.10 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.

##### **1.11 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.

##### **1.12 Leases**

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

##### **1.13 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.

##### **1.14 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'.

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 2. Operating profit

The operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	2,351	2,609
Auditor's remuneration	60	55
Operating lease rentals:		
- plant and machinery	911	574
- other operating leases	3,014	2,355
	<u>3,014</u>	<u>2,355</u>

### 3. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	42,483	33,950
Social security costs	4,331	3,731
Other pension costs	983	877
	<u>47,797</u>	<u>38,558</u>

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

	2014 No.	2013 No.
Production	830	648
Selling	5	5
Administration	20	20
Directors	2	2
	<u>857</u>	<u>675</u>

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 4. Directors' remuneration

	2014 £000	2013 £000
Remuneration	701	624
Company pension contributions to defined contribution pension schemes	16	37

During the year retirement benefits were accruing to 1 director (2013: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £492,000 (2013: £415,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2013: £23,000).

### 5. Interest receivable

	2014 £000	2013 £000
Forward points on hedge	-	4
Foreign exchange gain	177	24
Interest receivable from group undertakings	283	352
	460	380

### 6. Taxation on profit on ordinary activities

	2014 £000	2013 £000
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	2,487	699
Adjustments in respect of prior periods	(506)	922
<b>Total current tax</b>	1,981	1,621
<b>Deferred tax</b>		
Origination and reversal of timing differences	430	318
Adjustments relating to previous years	24	(167)
<b>Total deferred tax</b> (see note 12)	454	151
<b>Tax on profit on ordinary activities</b>	2,435	1,772



# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

---

### 6. Taxation on profit on ordinary activities (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	<b>14,001</b>	4,951
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	<b>3,010</b>	1,151
Effects of:		
Disallowable expenses and non-taxable income	<b>124</b>	(83)
Capital allowances in excess of depreciation	<b>(369)</b>	(381)
Adjustments to tax charge in respect of prior periods	<b>(506)</b>	922
Short term timing differences	<b>2</b>	12
Adjustment in research and development tax credit	<b>(280)</b>	-
Current tax charge for the year (see note above)	<b>1,981</b>	1,621

#### Factors that may affect future tax charges

The deferred tax asset as at 31 December 2014 has been recognised in full (at 31 December 2013 - 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 2015) were substantively enacted on 2 July 2013. The 20% rate has been used to calculate the deferred tax balance at 31 December 2014 as most of the balance is expected to crystallise after 2015.

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 7. Tangible fixed assets

	Leasehold improvements £000	Post production equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 January 2014	2,458	16,700	634	19,792
Additions	957	3,947	141	5,045
Disposals	(582)	(8,908)	(309)	(9,799)
At 31 December 2014	2,833	11,739	466	15,038
<b>Depreciation</b>				
At 1 January 2014	1,605	14,428	509	16,542
Charge for the year	447	1,851	53	2,351
On disposals	(582)	(8,908)	(309)	(9,799)
At 31 December 2014	1,470	7,371	253	9,094
<b>Net book value</b>				
At 31 December 2014	1,363	4,368	213	5,944
At 31 December 2013	853	2,272	125	3,250

### 8. Fixed asset investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Light Parade Limited	Ordinary £1	100%
Blonde Films Limited	Ordinary £1	100%

Name	Business	Country of incorporation
Light Parade Limited	Dormant	England & Wales
Blonde Films Limited	Dormant	England & Wales

Both companies have been dissolved, post 31 December 2014.

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 9. Debtors

	2014 £000	2013 £000
Trade debtors	15,218	8,869
Amounts owed by group undertakings	18,172	12,673
Prepayments and accrued income	6,794	4,440
Deferred tax asset (see note 12)	2,738	3,192
	<u>42,922</u>	<u>29,174</u>

### 10. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts	14	221
Trade creditors	440	46
Amounts owed to group undertakings	4,986	5,177
Corporation tax	3,060	2,494
Other taxation and social security	2,553	1,382
Other creditors	315	115
Accruals and deferred income	12,942	9,919
	<u>24,310</u>	<u>19,354</u>

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.

### 11. Creditors: Amounts falling due after more than one year

	2014 £000	2013 £000
Other creditors	<u>915</u>	<u>912</u>

### 12. Deferred tax asset

	2014 £000	2013 £000
At 1 January 2014	3,192	3,343
Originating and reversal of timing differences	(430)	(318)
Adjustment relating to previous years	(24)	167
	<u>2,738</u>	<u>3,192</u>
At 31 December 2014	<u>2,738</u>	<u>3,192</u>

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 12. Deferred tax asset (continued)

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Differences between accumulated depreciation and amortisation and capital allowances.	2,701	3,122
Other timing differences	37	70
	<u>2,738</u>	<u>3,192</u>

### 13. Provisions

	Other Provisions £000
At 1 January 2014 and 31 December 2014	<u>100</u>

#### Other Provisions

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

### 14. Called-up share capital

	2014 £000	2013 £000
<b>Allotted, called up and fully paid</b>		
200 ordinary shares of £1 each	<u>-</u>	<u>-</u>

### 15. Reserves

	Profit and loss account £000
At 1 January 2014	12,066
Profit for the financial year	11,566
At 31 December 2014	<u>23,632</u>

# THE MOVING PICTURE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 16. Reconciliation of movement in shareholder's funds

	2014 £000	2013 £000
Opening shareholder's funds	12,066	8,887
Profit for the financial year	11,566	3,179
Closing shareholders' funds	23,632	12,066

### 17. Pension commitments

The company offers eligible employees membership of the Technicolor UK defined contribution pension scheme. The total cost of this scheme to the Company in the year ended was £968,707 (2013: £863,788).

In addition, one current employee is a member of a defined contribution pension schemes. The total cost of this scheme to the company for the year ended was £14,047 (2013: one employee, £13,391).

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 2014 was £82,000 (2013: £70,798).

### 18. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
<b>Expiry date:</b>				
Within 1 year	865	414	-	218
Between 2 and 5 years	-	2,694	931	-
After more than 5 years	2,724	-	-	-

### 19. 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.

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

# **THE MOVING PICTURE COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **20. Controlling party**

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.