
GULLANE ENTERTAINMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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GULLANE ENTERTAINMENT LIMITED

COMPANY INFORMATION

Directors	A Unitt (appointed 7 September 2015) N A Godfrey (appointed 24 January 2018)
Company secretary	T Piccus
Registered number	2120124
Registered office	Maple House 149 Tottenham Court Road London W1T 7NF
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

GULLANE ENTERTAINMENT LIMITED

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GULLANE ENTERTAINMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 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 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

GULLANE ENTERTAINMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Directors

The Directors who served during the year and up to the date of signing the financial statements were:

S Mathur (appointed 1 May 2015, resigned 31 August 2018)
A Unitt (appointed 7 September 2015)
T Lynch (appointed 18 January 2016, resigned 29 April 2019)
N A Godfrey (appointed 24 January 2018)

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

Independent auditors

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

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



A Unitt
Director

Date: 24 September 2019

GULLANE ENTERTAINMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GULLANE ENTERTAINMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Gullane Entertainment Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

GULLANE ENTERTAINMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GULLANE ENTERTAINMENT LIMITED

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 1, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

GULLANE ENTERTAINMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GULLANE ENTERTAINMENT LIMITED

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Stuart Macdougall (Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Date: 25.9.19

GULLANE ENTERTAINMENT LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Administrative (expenses)/income		23	(3)
Operating profit/(loss)	4	23	(3)
Tax on profit/(loss)	7	(1)	(1)
Profit/(loss) for the financial year		22	(4)

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

GULLANE ENTERTAINMENT LIMITED
REGISTERED NUMBER: 2120124

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	8	1,667	1,667
		<u>1,667</u>	<u>1,667</u>
Current assets			
Debtors: amounts falling due after more than one year	9	3	4
Debtors: amounts falling due within one year	9	5,119	5,094
Cash at bank and in hand	10	3	5
		<u>5,125</u>	<u>5,103</u>
Total assets less current liabilities		<u>6,792</u>	<u>6,770</u>
Net assets		<u>6,792</u>	<u>6,770</u>
Capital and reserves			
Called up share capital	12	-	-
Capital redemption reserve	13	579	579
Other reserves	13	227,923	227,923
Profit and loss account	13	(221,710)	(221,732)
Total equity		<u>6,792</u>	<u>6,770</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A Unitt

A Unitt
Director

Date: 24 September 2019

The notes on pages 9 to 17 form part of these financial statements.

GULLANE ENTERTAINMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2017	-	579	227,923	(221,728)	6,774
Loss for the year	-	-	-	(4)	(4)
At 1 January 2018	-	579	227,923	(221,732)	6,770
Profit for the year	-	-	-	22	22
At 31 December 2018	-	579	227,923	(221,710)	6,792

The notes on pages 9 to 17 form part of these financial statements.

GULLANE ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Gullane Entertainment Limited (the "Company") is a holding company. The Company is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is Maple House, 149 Tottenham Court Road, London, W1T 7NF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. These financial statements are prepared on a going concern basis.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group. The ultimate parent undertaking and controlling party is Mattel Inc., a publicly listed company registered in the United States. The largest and smallest group of companies into which the results of the Company are consolidated at the balance sheet date is Mattel Inc. The consolidated financial statements can be obtained at Mattel Inc. 333 Continental Blvd, El Segundo, CA 90245, United States.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Mattel Inc. as at 31 December 2018 and these financial statements may be obtained from 333 Continental Blvd, El Segundo, CA 90245, United States.

GULLANE ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

GULLANE ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

GULLANE ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment Assessments

At each balance sheet date the Company considers whether investments in subsidiaries are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market riskfree rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the profit and loss account.

4. Operating profit/(loss)

The operating profit/(loss) is stated after crediting/(charging):

	2018 £000	2017 £000
Exchange differences	-	3
Bank fees credit	(23)	-
	<u> </u>	<u> </u>

GULLANE ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Auditors' remuneration

Auditors' remuneration has been borne by a related party, HIT Entertainment Limited, in the current and prior year. HIT Entertainment Limited incurred audit fees of £235,000 (2017 - £262,000) fees relating to other services of £nil (2017 - £nil) and fees relating to other taxation services of £44,000 (2017 - £20,000).

6. Directors and employees

The Company has no employees other than the Directors, who did not receive any remuneration (2017 - £NIL).

7. Taxation

	2018 £000	2017 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	1	1
Total deferred tax	1	1
Taxation on profit on ordinary activities	1	1

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit/(loss) on ordinary activities before tax	23	(3)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	4	(1)
Effects of:		
Amount surrendered to the Company as group relief for £nil consideration	(27)	(11)
Transfer pricing adjustments	24	13
Total tax charge for the year	1	1

GULLANE ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Taxation (continued)

Factors that may affect future tax charges

The 2016 Budget, announced that the UK corporation tax rate for the year starting 1 April 2020 will reduce to 17%. These changes have been substantively enacted at the balance sheet date and, therefore, UK deferred tax has been provided at 17% (2017 17%).

8. Investments in subsidiaries

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2018	8,928
At 31 December 2018	8,928
Impairment	
At 1 January 2018	7,261
At 31 December 2018	7,261
Net book value	
At 31 December 2018	1,667
At 31 December 2017	1,667

GULLANE ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Investments in subsidiaries (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Gullane (Productions) Limited	Maple House, 149 Tottenham Court Road, London, W1T 7NF	Ordinary	100%
Prism Art and Design Limited	Maple House, 149 Tottenham Court Road, London, W1T 7NF	Ordinary	100%
The Magic Railroad Company Limited	Maple House, 149 Tottenham Court Road, London, W1T 7NF	Ordinary	100%
HiT (Consumer Products) Limited	Maple House, 149 Tottenham Court Road, London, W1T 7NF	Ordinary	100%
HiT Attractions Limited	Maple House, 149 Tottenham Court Road, London, W1T 7NF	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Gullane (Productions) Limited	3,936	472
Prism Art and Design Limited	36,057	3,809
The Magic Railroad Company Limited	-	-
HiT (Consumer Products) Limited	1,351	297
HiT Attractions Limited	4,234	332

9. Debtors

	2018 £000	2017 £000
Due after more than one year		
Deferred tax asset	3	4
	<u>3</u>	<u>4</u>

GULLANE ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Debtors (continued)

	2018 £000	2017 £000
Due within one year		
Amounts owed by group undertakings	5,111	5,086
Other debtors	8	8
	<u>5,119</u>	<u>5,094</u>

10. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	3	5
	<u>3</u>	<u>5</u>

11. Deferred taxation

	2018 £000	2017 £000
At beginning of year	4	5
Charged to the profit and loss account	(1)	(1)
At end of year	<u>3</u>	<u>4</u>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	3	4
	<u>3</u>	<u>4</u>

GULLANE ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Called up share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £0.10	-	-
	<u> </u>	<u> </u>

13. Reserves

Capital redemption reserve

All movements during the year in the Capital redemption reserve have been disclosed in the Statement of Changes in Equity on page 9 of the financial statements.

Other reserves

Other reserves relate to a capital contribution from 2014, when there was a restructuring exercise within the Mattel Inc group, of which the Company is a wholly owned indirect subsidiary. All movements during the year in other reserves have been disclosed in the Statement of Changes in Equity on page 8 of the financial statements.

Profit & loss account

All movements during the year in the Profit and Loss account have been disclosed in the Statement of Changes in Equity on page 8 of the financial statements.

14. Controlling parties

The immediate parent undertaking is HIT Entertainment Limited, which is registered in England and Wales.

The ultimate parent undertaking and controlling party is Mattel Inc., a publicly listed company registered in the United States. The largest and smallest group of companies into which the results of the Company are consolidated at the balance sheet date is Mattel Inc.

The consolidated financial statements can be obtained at Mattel Inc. 333 Continental Blvd, El Segundo, CA 90245, United States.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.