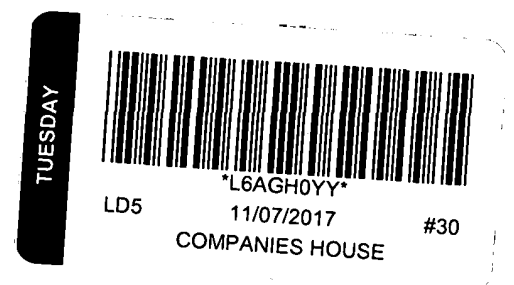


COMPANY REGISTRATION NUMBER 02668459

STUDIOCANAL Films Limited
Strategic Report, Directors' report and financial
Statements
For the year ended 31 December 2016



STUDIOCANAL Films Ltd

Financial statements

Year ended 31 December 2016

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STUDIOCANAL Films Ltd

Officers

The board of directors

S Legrand
E. De Vigouroux D'Arvieu (appointed 30/09/2016)
R Bessi (resigned 30/09/2016)
S Legrand
S Arnould

Registered office

50 Marshall Street
London
W1F 9BQ

Auditors

KPMG LLP
Chartered Accountants
Statutory Auditor
15 Canada Square
London
E14 5GL

STUDIOCANAL Films Ltd

Strategic report

Principal activities

In 2016, the main activities of the company were the licensing of film and television rights and the UK production of films.

Business review

The results for the year are shown on page 7. Revenues amounted to £20.0m (2015: £34.4m).

The gross profit margin for the year amounted to £7.3m (2015: £2.3m).

Financial performance in each trading period can fluctuate depending on the number of theatrical releases and the stage in the life cycle of each individual film title. Revenues generated by the 2 main fresh films, Paddington and Gunman, represent the main contributors in the year, with about the two thirds of 2016 turnover. EBITA is has had a positive impact in the current year, despite the lower revenues, due to the impact of the impairment of the Gunman in prior year.

At the year end, net assets totalled £35.9m, an increase from £32.0m in the prior year.

The key and other performance indicators during the year were as follows:

	2016	2015	%
Turnover	£19,978,868	£34,400,832	-42%
Gross profit	£7,333,544	£2,265,175	224%
Profit on ordinary activities before tax	£6,377,130	£493,207	1193%
Shareholders' funds	£35,879,234	£32,030,849	12%

Future developments

The directors expect continued further development of the company's business in the forthcoming year in the licensing and in the production of films.

Principle Risks and Uncertainties

The company's operations expose it to the following risks:

(i) Piracy: The media industry continues to be affected adversely by the issue of piracy. The directors take reasonable steps to protect the Company's intellectual property.

(ii) Competition: The market in which the Company operates remains highly competitive. Although the margins on physical media such as DVD are under pressure, new media formats and distribution channels provide significant growth opportunities.

(iii) Credit risk: The exposure to credit risk is continually monitored by management. The directors consider that an appropriate level of credit insurance is in place and that appropriate credit controls are in place.

The company's operations expose it to financial risks that include the effects of changes in exchange rates and interest rates. The policies set by STUDIOCANAL SA, the company's parent undertaking, to prevent those risks are implemented by the directors of the company.

On behalf of the directors

E. De Vigouroux D'Arvieu
Director

50 Marshall Street
London
W1F 9BQ

23 June 2017



STUDIOCANAL Films Ltd

Directors' report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Proposed Dividend

The directors do not recommend payment of a dividend (2015: Nil).

Directors

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

E. De Vigouroux D'Arvieu (appointed 30/09/2016)
R Bessi (resigned 30/09/2016)
S Legrand
S Arnould

Charitable contributions

Donations to UK charities amounted to £nil (2015: £nil)

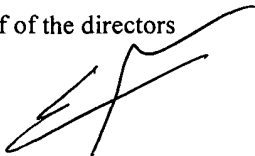
Disclosure of information to auditor

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

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

on behalf of the directors



E. De Vigouroux D'Arvieu
Director

50 Marshall Street
London
W1F 9BQ

23 June 2017

STUDIOCANAL Films Ltd

Statement of directors' responsibilities in respect of the Strategic Report, Directors' report and the financial statements

Year ended 31 December 2016

The Directors are responsible for preparing the Strategic report, the Directors' 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), including FRS 101 Reduced Disclosure Framework.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, 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 STUDIOCANAL Films Ltd

We have audited the financial statements of STUDIOCANAL Films Limited for the year ended 31 December 2016 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web site at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of STUDIOCANAL Films Ltd

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.



Tudor Aw (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London, E14 5GL
United Kingdom

Date: 23 June 2017

STUDIOCANAL Films Ltd

Profit and loss account and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2016

	<i>Notes</i>	2016	2015
		£	£
Turnover		19,978,868	34,400,832
Cost of sales		(12,645,324)	(32,135,657)
		<hr/>	<hr/>
Gross profit		7,333,544	2,265,175
Administrative expenses		(1,213,153)	(1,895,664)
		<hr/>	<hr/>
Operating profit	2	6,120,391	369,511
Other interest receivable and similar income	5	271,604	188,919
Interest payable and similar charges	6	(14,865)	(65,223)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		6,377,130	493,207
Tax on profit on ordinary activities	7	(962,969)	(143,492)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		<u>5,414,161</u>	<u>349,715</u>
Other comprehensive income/(loss) for the year		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		<u><u>5,414,161</u></u>	<u><u>349,715</u></u>

The notes on pages 10 to 19 form part of these financial statements.

STUDIOCANAL Films Ltd

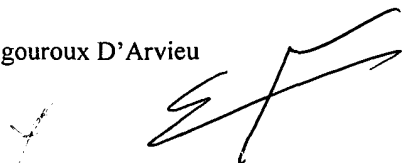
Balance sheet

AS AT 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	8	29,225,816	3,903,163
Tangible assets	9	<u>571,931</u>	<u>554,213</u>
		29,797,747	4,457,376
Current assets			
Debtors	10	46,785,868	67,219,597
Cash at bank and in hand		<u>30,131</u>	<u>4,984</u>
		46,815,999	67,224,581
Creditors : amounts falling due within one year	12	<u>(40,734,510)</u>	<u>(39,651,108)</u>
Net current assets		<u>6,081,489</u>	<u>27,573,473</u>
Total assets less current liabilities		35,879,236	32,030,849
Net assets		<u>35,879,236</u>	<u>32,030,849</u>
Capital and reserves			
Called up share capital	14	87	87
Share premium account	15	17,145,462	17,145,462
Profit and loss account	15	<u>18,733,687</u>	<u>14,885,300</u>
Equity shareholders' funds	16	<u>35,879,236</u>	<u>32,030,849</u>

These financial statements were approved by the board of directors and authorised for issue on 23 June 2017 and are signed on their behalf by:

E. De Vigouroux D'Arvieu
Director



Company Registration Number: 02668459

The notes on pages 10 to 19 form part of these financial statements.

STUDIOCANAL Films Ltd

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 January 2015	87	17,145,462	14,535,585	31,681,134
Profit for the year	-	-	349,715	349,715
Total comprehensive income for the year	-	-	349,715	349,715
Balance at 31 December 2015	87	17,145,462	14,885,300	32,030,849
IFRS15 adjustment (see Note 1)	-	-	(1,565,774)	(1,565,774)
Profit for the year	-	-	5,414,161	5,414,161
Total comprehensive income for the year	-	-	3,848,387	3,848,387
Balance at 31 December 2016	87	17,145,462	18,733,687	35,879,236

The notes on pages 10 to 19 form part of these financial statements.

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2016

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts as the company is included in the published accounts of a larger group headed by Vivendi S.A., a parent undertaking established under the law of a member state of the European Union. These financial statements present information about the company as an individual undertaking and not about its group.

The consolidated financial statements of Vivendi S.A are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 42 Avenue Friedland, 75380 Paris, Cedex 08, France.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Vivendi S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2016

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Change in accounting policy

In these financial statements the Company has changed its accounting policies in the following areas:

- IFRS 15 Revenue from Contracts with Customers. From 1 January 2015, Studiocanal have early adopted the accounting standard IFRS 15: revenue from contracts with customers. This has impacted revenue recognition for 'Free TV' and 'Subscription Value on Demand (SVOD)' in that revenue is now recognised in line with the licence period. The Company has elected to use the cumulative effect method as of the date of initial application, with no restatement of comparative amounts. It records the cumulative effect of initially applying the new standard as an adjustment to the opening balance of equity at the date of the initial application. The following accounting adjustments have been recorded in the 2016 financial statements in respect of the impact of IFRS15:

Impact on opening balances:

Dr Profit and loss account opening reserves	£1,565,774	
Dr Intangible fixed assets	£2,251,154	
Dr Debtors	£1,749,670	
Cr Accruals		£4,001,129

Impact on current year profit and loss account :

Dr Licence/royalty costs	£3,613,327	
Dr Amortisation	£3,325,194	
Cr Turnover		£8,503,989

Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) in the normal course of business. Turnover from direct sales of licenses to customers is recognised on the later of delivery of rights or the start of the license period. Turnover from sales through distributors is recognised upon notification of amounts receivable.

Turnover also comprises revenues from the production of films, including from the sale of distribution rights on which revenue is recognised when the company has the right to the income.

In certain circumstances, the Company enters into arrangements whereby contributions to the production costs of a film are received from investors in return for a share of future revenues. Where the terms of these arrangements are such that the arrangement is not a clear financing transaction, or the disposal of an economic interest in the title, judgment is required to account for such transactions. The Company recognise the amounts received as a reduction in the capitalised cost of the intangible asset. Tax credits received for the productions are also recognised as a reduction in the capitalised cost of the intangible asset.

The directors have not disclosed the segmental analysis of turnover on the grounds that it would be seriously prejudicial and against the interests of the company.

Intangible fixed assets

The cost of acquired film licensing rights is capitalised and amortised on a straight line basis over their expected useful economic life, not exceeding 20 years. The cost of film licensing rights generated through the Company's involvement in the UK production of films is capitalised and amortised in accordance with the revenue generated in the period in proportion to the total expected revenue. Amortisation charges are expensed as a cost of sale.

Notes to the financial statements

1. Accounting policies (continued)

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Film masters	5 years
--------------	---------

Fixed asset investments are shown at cost less provisions for permanent diminution in value.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease period.

The charge/(credit) for taxation is based on the profit/(loss) for the year and takes into account taxation deferred because of the 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 for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Timing differences are differences between the company's taxable profit and loss and its results as stated in the financial statements. No deferred tax is recognised on permanent differences.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and law that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2016

1. Accounting policies *(continued)*

Foreign currency

These financial statements are prepared in GBP which is the functional currency of the company.

Transactions denominated in foreign currencies are recorded using 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 and the gains and losses on translation are included in the profit and loss account.

Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. STUDIOCANAL S.A., the company's immediate parent undertaking, has formally confirmed that it will provide financial support to the company for the foreseeable future and for a period of not less than the next twelve months from the date of approval of these accounts. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Operating profit

Operating profit is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets (note 8)	1,883,845	19,758,895
Depreciation of owned fixed assets (note 9)	189,101	239,196
Auditor's remuneration - audit of the financial statements	33,171	40,543
Operating lease costs		
- Plant and machinery	8,901	9,503
Net (income) / loss on foreign currency translation	<u>(428,190)</u>	<u>656,997</u>

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent undertaking.

3. Staff costs

The Company no longer employs staff since September 2009. Activities are handled by staff of another group company.

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2016

4. Remuneration of directors

Directors' remuneration is borne by another group company. Directors' emoluments for the year were £nil (2015: £nil).

5. Interest receivable and similar income

	2016 £	2015 £
Interest receivable from group undertakings	271,604	188,919
	<u>271,604</u>	<u>188,919</u>

6. Interest payable and similar charges

	2016 £	2015 £
Other similar charges payable	14,865	65,223
	<u>14,865</u>	<u>65,223</u>

7. Taxation on ordinary activities

(a) Analysis of (credit) / charge in the year

	2016 £	2015 £
Current tax:		
Current tax on income for the year		
UK Corporation tax based on the results for the year	52,241	73,551
Group relief payable for losses claimed	909,007	25,048
Adjustments in respect of prior periods	-	(1,635)
	<u>961,248</u>	<u>96,964</u>
Double taxation relief	(52,241)	(73,551)
	<u>909,007</u>	<u>23,413</u>
Foreign tax		
Current tax on income for the year	52,241	117,310
Total current tax	<u>961,248</u>	<u>140,723</u>
Deferred tax:		
Origination and reversal of timing differences	1,721	1,248
Adjustments in respect of previous years	-	1,521
Total deferred tax (note 11)	<u>1,721</u>	<u>2,769</u>
Tax on profit/(loss) on ordinary activities	<u>962,969</u>	<u>143,492</u>

StudioCanal Films Ltd

Notes to the financial statements

Year ended 31 December 2016

7. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is the lower as the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016	2015
	£	£
Profit/(loss) on ordinary activities before taxation	<u>6,377,130</u>	<u>493,207</u>
Profit/(loss) on ordinary activities at the standard rate of UK Corporation tax of 20 % (2015: 20.25%)	1,275,426	99,874
Adjustments in respect of prior periods	-	(114)
Movement in timing differences	(1,721)	(1,248)
Foreign tax suffered in the period	52,241	117,310
Double tax relief	(52,241)	(73,551)
Impact IFRS15 restatement	(313,155)	-
Origination and reversal of timing differences	1,721	1,248
Impact of change in tax rate	698	(27)
Total tax (credit)/charge for the financial year	<u>962,969</u>	<u>143,492</u>

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated at the rates of 19% and 18% substantively enacted at the balance sheet date.

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2016

8. Intangible fixed assets

	Film rights
Cost	£
At 1 January 2016	108,436,102
Additions	24,989,944
Disposals	<u>(34,600)</u>
At 31 December 2016	<u>133,391,446</u>
Amortisation	
At 1 January 2016	104,532,939
Charge for the year	1,883,845
IFRS 15 adjustment	<u>(2,251,154)</u>
At 31 December 2016	<u>104,165,630</u>
Net book value	
At 31 December 2016	<u>29,225,816</u>
At 31 December 2015	<u>3,903,163</u>

9. Tangible fixed assets

	Film masters
Cost	£
At 1 January 2016	9,325,861
Additions	<u>206,819</u>
At 31 December 2016	<u>9,532,680</u>
Depreciation	
At 1 January 2016	8,771,648
Charge for the year	<u>189,101</u>
At 31 December 2016	<u>8,960,749</u>
Net book value	
At 31 December 2016	<u>571,931</u>
At 31 December 2015	<u>554,213</u>

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2016

10. Debtors

	2016 £	2015 £
Trade debtors	438,204	521,846
Amounts owed by group undertakings	34,068,570	50,855,228
Amounts recoverable on contracts	636,780	790,933
Other debtors	3,902,880	383,286
Prepayments and accrued income	7,735,474	14,662,623
Deferred tax asset (note 11)	3,960	5,681
	<u>46,785,868</u>	<u>67,219,597</u>

The debtors above include the following amounts falling due after more than one year:

	2016 £	2015 £
Amounts recoverable on contracts	181	205
Prepayments and accrued income	<u>2,200,425</u>	<u>1,716,432</u>
	<u>2,200,606</u>	<u>1,716,637</u>

StudioCanal Films Ltd

Notes to the financial statements

Year ended 31 December 2016

11. Deferred tax asset

The deferred tax included in the Balance sheet is as follows:

	2016	2015
	£	£
Included in debtors (note 10)	<u>3,960</u>	<u>5,681</u>

The movement in the deferred taxation account during the year was:

	2016	2015
	£	£
Balance brought forward	5,681	8,450
Profit and loss account movement arising during the year	<u>(1,721)</u>	<u>(2,769)</u>
Balance carried forward	<u>3,960</u>	<u>5,681</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Excess of depreciation over capital allowances	<u>3,960</u>	<u>5,681</u>
	<u>3,960</u>	<u>5,681</u>

12. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Bank overdrafts	52,085	76,090
Trade creditors	541,784	638,948
Amounts owed to other group undertakings	5,823,406	681,726
Taxation and social security	526,949	557,429
Accruals and deferred income	<u>33,790,286</u>	<u>37,696,915</u>
	<u>40,734,510</u>	<u>39,651,108</u>

13. Financial commitments

At 31 December 2016 the company had annual commitments under non-cancellable operating leases as set out below.

	2016		2015	
	Land and buildings	Other Items	Land and buildings	Other Items
	£		£	
Operating leases which expire :				
- within 2 to 5 years	<u>8,901</u>	-	<u>8,901</u>	-
	<u>8,901</u>	-	<u>8,901</u>	-

The Company has no capital commitments at the end of the financial year for which no provision has been made (2015: nil).

StudioCanal Films Ltd

Notes to the financial statements

Year ended 31 December 2016

14. Share capital

Allotted, called up and fully paid:

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>87</u>	<u>87</u>	<u>87</u>	<u>87</u>

15. Reserves

	Share premium account £	Profit and loss account £
Balance brought forward at 1 January 2016	17,145,462	14,885,300
IFRS15 adjustment (see note 1)	-	(1,565,774)
Profit for the year	-	5,414,161
Balance carried forward at 31 December 2016	<u>17,145,462</u>	<u>18,733,687</u>

16. Reconciliation of movements in shareholders' funds

	2016 £	2015 £
Retained profit for the year	5,414,161	349,715
Net addition to shareholders' funds	<u>5,414,161</u>	<u>349,715</u>
Opening shareholders' fund	32,030,849	31,681,134
IFRS15 adjustment (see note 1)	<u>(1,565,774)</u>	<u>-</u>
Closing shareholders' funds	<u>35,879,236</u>	<u>32,030,849</u>

17. Parent undertaking and controlling party

The company's immediate parent undertaking is Studio Canal S.A., incorporated in France. Studio Canal S.A. does not prepare consolidated financial statements.

The ultimate parent company and controlling party is Vivendi S.A., a company incorporated in France.

The largest and smallest group of which the company is a member and for which consolidated financial statements are drawn up is that headed by Vivendi S.A. These consolidated financial statements are available at 42 Avenue Friedland, 75380 Paris, Cedex 08, France.