

COMPANY REGISTRATION NUMBER 02668459

STUDIOCANAL Films Limited
Annual report and financial statements
For the year ended 31 December 2017



STUDIOCANAL Films Ltd

Financial statements

Year ended 31 December 2017

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STUDIOCANAL Films Ltd

Officers

The board of directors

S Legrand
E. De Vigouroux D'Arvieu
S Arnould

Registered office

50 Marshall Street
London
W1F 9BQ

Auditors

Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
United Kingdom
EC1A 9LQ

STUDIOCANAL Films Ltd

Strategic report

Principal activities

In 2017, 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 £43.3m (2016: £20.0m).

The gross profit margin for the year amounted to £12.4m (2016: £7.3m).

The year was impacted by the release of Paddington 2 in December 2017 in most territories. This movie represents the main contributor in the year, with £31.7m of 2017 turnover.

At year-end, net assets equal to £45.2m, increasing from £35.8m in the prior year.

Key and other performance indicators during the year were as follows:

	2017	2016	%
Turnover	£43,288,566	£19,978,868	117%
Gross profit	£12,398,720	£7,333,544	69%
Profit on ordinary activities before tax	£11,526,394	£6,377,130	81%
Shareholders' funds	£45,230,869	£35,879,236	26%

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.

Principal 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

28 September 2018

50 Marshall Street
London
W1F 9BQ

STUDIOCANAL Films Ltd

Directors' report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Proposed Dividend

The directors do not recommend payment of a dividend (2016: Nil).

Directors

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

E. De Vigouroux D'Arvieu
S Legrand
S Arnould

Charitable contributions

Donations to UK charities amounted to £nil (2016: £nil)

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

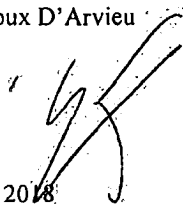
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

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

on behalf of the directors

E. De Vigouroux D'Arvieu
Director



28 September 2018

50 Marshall Street
London
W1F 9BQ

STUDIOCANAL Films Ltd

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

Year ended 31 December 2017

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 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.

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

Opinion

In our opinion the financial statements of STUDIOCANAL Films Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

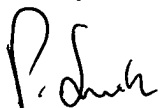
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Peter Smith (Senior Statutory Auditor)

For and on behalf of **Constantin**

Chartered Accountants and Statutory Auditor

25 Hosier Lane
London
United Kingdom
EC1A 9LQ
Date:

28 September 2018.

STUDIOCANAL Films Ltd

Profit and loss account and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover		43,288,566	19,978,868
Cost of sales		(30,889,847)	(12,645,325)
Gross profit		12,398,720	7,333,544
Administrative expenses		(910,104)	(1,213,153)
Operating profit	2	11,488,616	6,120,391
Other interest receivable and similar income	5	57,362	271,604
Interest payable and similar charges	6	(19,583)	(14,865)
Profit on ordinary activities before taxation		11,526,394	6,377,130
Tax on profit on ordinary activities	7	(2,174,761)	(962,969)
Other comprehensive income/(loss) for the year			
Profit on ordinary activities after taxation		9,351,633	5,414,161

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

STUDIOCANAL Films Ltd

Balance sheet

AS AT 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Intangible assets	8	20,201,382	29,225,816
Tangible assets	9	<u>353,418</u>	<u>571,931</u>
		20,554,800	29,797,747
Current assets			
Debtors	10	68,647,834	46,785,868
Cash at bank and in hand		<u>41,323</u>	<u>30,131</u>
		68,689,159	46,815,999
Creditors : amounts falling due within one year	12	<u>(44,013,088)</u>	<u>(40,734,510)</u>
Net current assets		<u>24,676,070</u>	<u>6,081,489</u>
Total assets less current liabilities		45,230,870	35,879,236
Net assets		<u>45,230,869</u>	<u>35,879,236</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>28,085,320</u>	<u>18,733,687</u>
Equity shareholders' funds	16	<u>45,230,869</u>	<u>35,879,236</u>

These financial statements were approved by the board of directors and authorised for issue on 28 September 2018 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 2017

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2016	87	17,145,462	14,885,300	32,030,849
Profit for the year			5,414,161	5,414,161
IFRS15 adjustment (see note 1)			(1,565,774)	(1,565,774)
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
Profit for the year			9,351,633	9,351,633
Total comprehensive income for the year			9,351,633	9,351,633
Balance at 31 December 2017	87	17,145,462	28,085,320	45,230,869

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 2017

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

STUDIOCANAL Films Ltd is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

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 2017

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.

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.

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2017

1. Accounting policies *(continued)*

Amortisation

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:

Film licencing straight line up to 20 years

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

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

Investments

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

Operating leases

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

Taxation

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 2017

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.

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:

	2 017	2 016
	£	£
Amortisation of intangible assets	14,289,062	1,883,845
Depreciation of owned fixed assets	386,374	189,101
Auditor's remuneration - audit of the financial statements	21,000	33,171
Operating lease costs		
- Plant and machinery	13,196	8,901
Net (income) / loss on foreign currency translation	<u>167,525</u>	<u>(428,190)</u>

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 2017

4. Remuneration of directors

Directors' remuneration is borne by another group company. Directors' emoluments for the year were £nil (2016: £nil).

5. Interest receivable and similar income

	2 017 £	2 016 £
Interest receivable from group undertakings	<u>57,362</u>	<u>271,604</u>

6. Interest payable and similar charges

	2 017 £	2 016 £
Other similar charges payable	<u>19,583</u>	<u>14,865</u>

7. Taxation on ordinary activities

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

	2017 £	2016 £
Current tax:		
Current tax on income for the year		
UK Corporation tax based on the results for the year	1,221,653	52,241
Group relief payable for losses claimed	996,154	909,007
Adjustments in respect of prior periods	-	-
	<u>2,217,807</u>	<u>961,248</u>
Double taxation relief	<u>(88,568)</u>	<u>(52,241)</u>
	<u>2,129,239</u>	<u>909,007</u>
Foreign tax		
Current tax on income for the year	<u>44,809</u>	<u>52,241</u>
Total current tax	<u>2,174,048</u>	<u>961,248</u>
Deferred tax:		
Origination and reversal of timing differences	713	1,721
Adjustments in respect of previous years	-	-
Total deferred tax (note 11)	<u>713</u>	<u>1,721</u>
Tax on profit/(loss) on ordinary activities	<u>2,174,761</u>	<u>962,969</u>

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2017

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 19.25% (2016: 20%).

	2017	2016
	£	£
Profit/(loss) on ordinary activities before taxation	<u>11,526,396</u>	<u>6,377,129</u>
Profit/(loss) on ordinary activities at the standard rate of UK Corporation tax of 19.25 % (2016: 20%)	2,218,831	1,275,426
Adjustments in respect of prior periods	-	-
Movement in timing differences	-	-
Foreign tax suffered in the period	44,809	52,241
Double tax relief	(88,568)	(52,241)
Impact IFRS15 restatement	-	(313,155)
Impact of change in tax rate	(311)	698
Total tax (credit)/charge for the financial year	<u>2,174,761</u>	<u>962,969</u>

(c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantially enacted on 26 October 2015. A further reduction to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. The deferred tax asset at 31 December 2017 has therefore be calculated at the rate of 17%.

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2017

8. Intangible fixed assets

	Film rights
Cost	£
At 1 January 2017	133,391,446
Additions	6,845,337
Disposals	(357,101)
At 31 December 2017	<u>139,879,682</u>
Amortisation	
At 1 January 2017	104,165,630
Charge for the year	14,289,062
Disposals	(249,207)
IFRS 15 adjustment - charge for the year	1,472,816
At 31 December 2017	<u>119,678,300</u>
Net book value	
At 31 December 2017	<u>20,201,382</u>
At 31 December 2016	<u>29,225,816</u>

9. Tangible fixed assets

	Film masters
Cost	£
At 1 January 2017	9,532,680
Additions	167,861
At 31 December 2017	<u>9,700,541</u>
Depreciation	
At 1 January 2017	8,960,749
Charge for the year	386,374
At 31 December 2017	<u>9,347,123</u>
Net book value	
At 31 December 2017	<u>353,418</u>
At 31 December 2016	<u>571,931</u>

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2017

10. Debtors

	2 017 £	2 016 £
Trade debtors	336,519	438,204
Amounts owed by group undertakings	53,317,761	34,068,570
Amounts recoverable on contracts	4,381	636,780
Other debtors	891,258	3,902,880
Prepayments and accrued income	14,094,669	7,735,474
Deferred tax asset (note 11)	3,247	3,960
	<u>68,647,835</u>	<u>46,785,868</u>

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

	2 017 £	2 016 £
Amounts recoverable on contracts		181
Prepayments and accrued income	1,219,828	2,200,425
	<u>1,219,828</u>	<u>2,200,606</u>

STUDIOCANAL Films Ltd

Notes to the financial statements

Year ended 31 December 2017

11. Deferred tax asset

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

	2017	2016
	£	£
Included in debtors (note 10)	<u>3,247</u>	<u>3,960</u>

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

	2 017	2 016
	£	£
Balance brought forward	3,960	5,681
Profit and loss account movement arising during the year	(713)	(1,721)
Balance carried forward	<u>3,247</u>	<u>3,960</u>

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

	2 017 Provided	2 016 Provided
	£	£
Excess of depreciation over capital allowances	<u>3,247</u>	<u>3,960</u>

12. Creditors: Amounts falling due within one year

	2 017	2 016
	£	£
Bank overdrafts	54,657	52,085
Trade creditors	284,690	541,784
Amounts owed to other group undertakings	3,530,132	5,823,406
Taxation and social security	1,782,373	526,949
Accruals and deferred income	<u>38,361,236</u>	<u>33,790,286</u>
	<u>44,013,088</u>	<u>40,734,510</u>

13. Financial commitments

At 31 December 2017 the company had annual commitments under non-cancellable operating leases as set out below.

	2 017 Land and buildings £	2 016 Land and buildings £	Other Items
Operating leases which expire:			
- within 2 to 5 years	<u>13,196</u>	<u>8,901</u>	
	<u>13,196</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 2017

14. Share capital

Allotted, called up and fully paid:

	2017		2016	
	No	£	No	£
Ordinary shares of £1 each	87	87	87	87

15. Reserves

	Share Premium account £	Profit and loss account £
Balance brought forward at 1 January 2017	17,145,462	20,299,458
Restatement IFRS15	-	305
Profit for the year	-	9,351,635
Balance carried forward at 31 December 2017	17,145,462	29,651,398

16. Reconciliation of movements in shareholders' funds

	2 017 £	2 016 £
Retained profit for the year	9,351,635	5,414,161
Net addition to shareholders' funds	9,351,635	5,414,161
Opening shareholders' fund	35,879,236	32,030,849
Restatement IFRS15	-	(1,565,774)
Closing shareholders' funds	45,230,871	35,879,236

17. Parent undertaking and controlling party

The company's immediate parent undertaking is Studio Canal S.A.S., incorporated in France. Studio Canal S.A.S. 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.